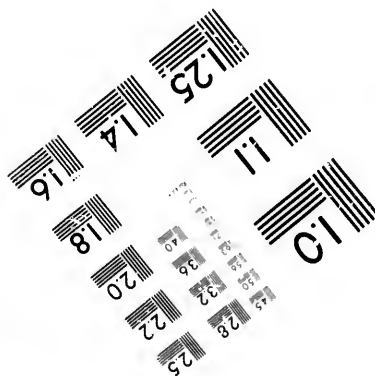
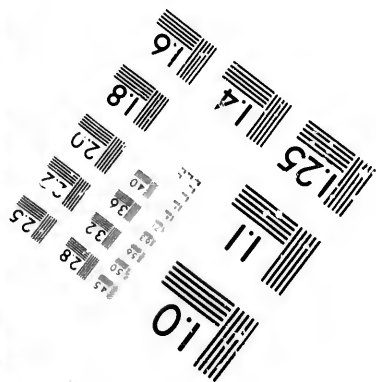
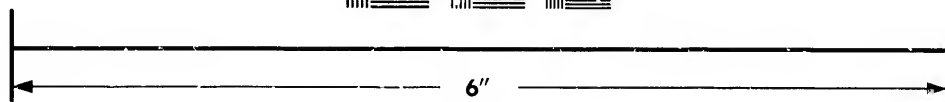
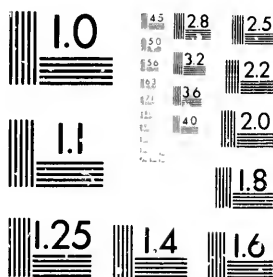


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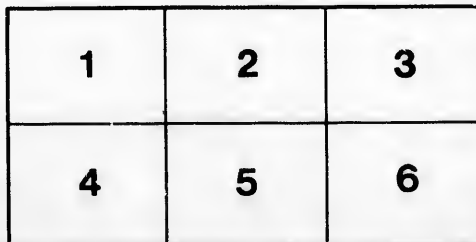
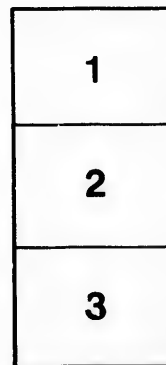
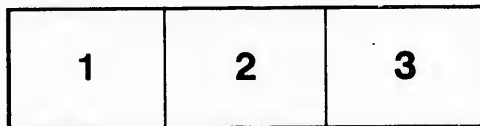
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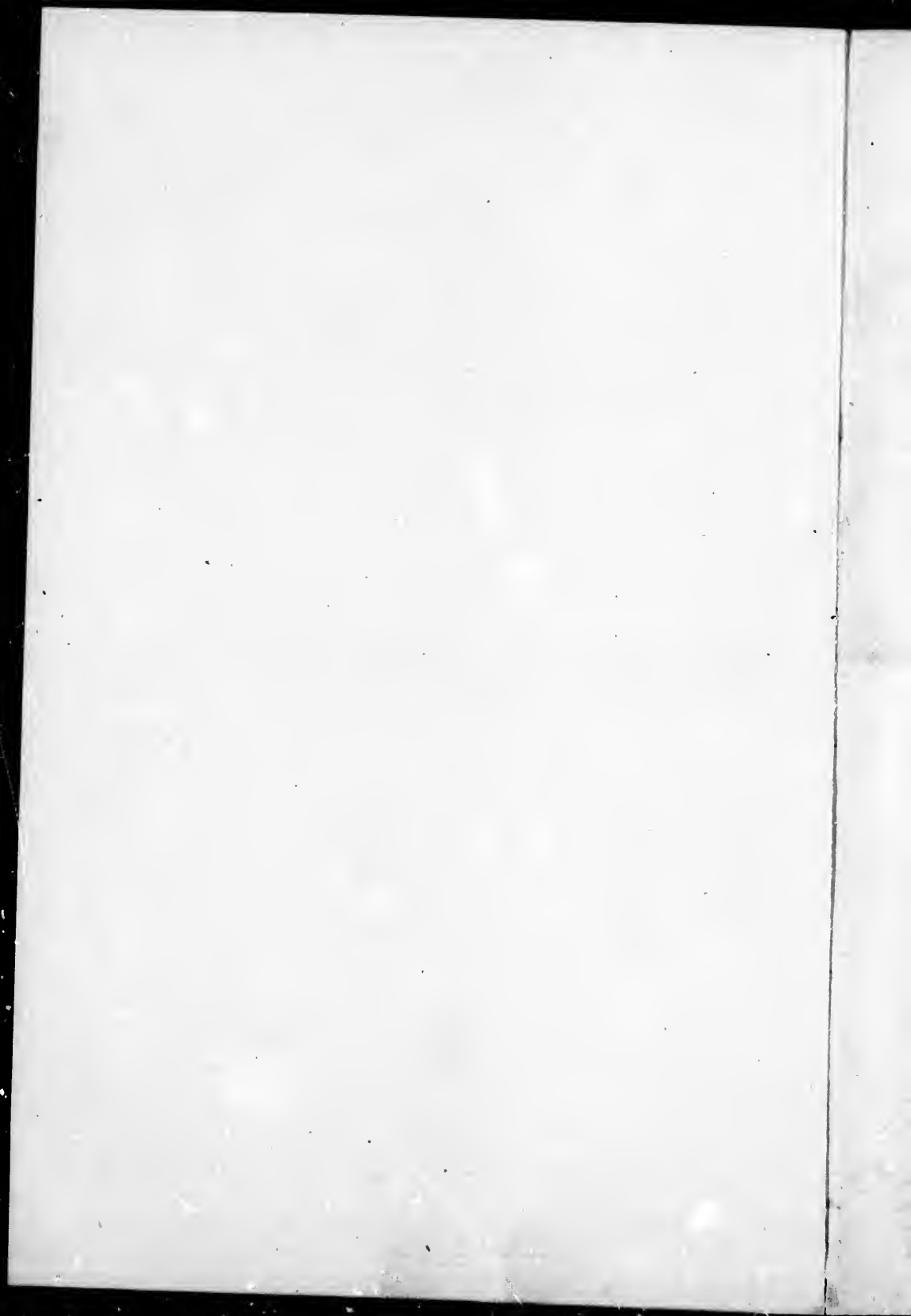
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COMMENTS

ON THE

PROCEEDINGS AND EVIDENCE

ON THE CHARGES

PREFERRED BY MR. HUNTINGTON, M.P.

AGAINST THE

GOVERNMENT OF CANADA.

MONTREAL :

“Gazette” Printing House, nearly opposite the Post Office.

1873.

COMMENTS

PROCEEDINGS AND EVIDENCE

ON THE CHARGES

Preferred by Mr. H. H. ...

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CHARGES AGAINST THE GOVERNMENT.

The proceedings of the Royal Commission, appointed to take evidence on oath in support of the charges preferred by Mr. Huntington against the Government of the Dominion, having terminated, it is proposed to submit, in as condensed a form as circumstances will admit, the substance of the evidence taken before the Commission, and its bearing on the charges.

It seems not undesirable to preface this statement by a few remarks on the proceedings in the case, which, from various causes, have been protracted much longer than would have been desirable. On the 2nd April Mr. Huntington, a member of the House of Commons moved,

"That Mr. Huntington, a member of this House, having stated in his place, that he is credibly informed and believes that he can establish by satisfactory evidence,—

"That in anticipation of the Legislation of last Session, as to the Pacific Railway, an agreement was made between Sir Hugh Allan, acting for himself, and certain other Canadian promoters, and G. W. McMullen, acting for certain United States capitalists, whereby the latter agreed to furnish all the funds necessary for the construction of the contemplated Railway, and to give the former a certain per centage of interest, in consideration of their interest and position, the scheme agreed on being ostensibly that of a Canadian Company with Sir Hugh Allan at its head,—

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

"That subsequently, an understanding was come to between the Government and Sir Hugh Allan and Mr. Abbott, M.P.,—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 Election,—and that he and his friends should receive the contract for the construction of the Railway,—

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

"That part of the monies, expended by Sir Hugh Allan in connection with the obtaining of the Act of Incorporation and Charter, were paid to him by the said United States Capitalists under the agreement with him,—it is

"Ordered, That a Committee of seven Members be appointed to enquire into all the circumstances connected with the negotiations for the construction of the Pacific Railway—with the legislation of last Session on the subject, and with the granting of the Charter to Sir Hugh Allan and others; with power to send for persons, papers and records; and with instructions to report in full the evidence taken before, and all proceedings of said Committee."

It is to be observed that prior to Mr. Huntington's motion it had been announced in the *Toronto Globe*, the leading organ of the Opposition, that this motion was intended as a vote of want of confidence in the Government, and it was accordingly determined by the Government to accept the challenge. It was assumed that in bringing forward so serious a charge against the Government, Mr. Huntington would offer some explanations; that he would state more precisely the nature and extent of his charge, and the character of the evidence by which it was to be sustained. As, contrary to precedent in all analagous cases, he merely read his resolution, the First Minister had nothing to reply to, and contented himself with leaving it to the House whether Mr. Huntington was entitled, on such a statement, to obtain a committee, of which he would have been chairman, to endeavour, under the pretence of investigating a charge of corruption against the Government, to prove that money had been expended by the Government candidates, as it notoriously was by the Opposition candidates, at the general election.

It may be asserted, without fear of contradiction, that the fact that Sir Hugh Allan, a very wealthy and influential supporter of the Government, had subscribed liberally to the election funds, was notorious at the time of the elections in July and August, 1872, not only in the City of Montreal, where he resides, but elsewhere.

Had such a charge been preferred by Mr. Huntington, it would most assuredly not have been denied; but if it had been further alleged that the election funds employed by the Ministerial candidates had been used for bribery or for other illegal purposes, and if it had been proposed to appoint a committee to enquire into the subject, most certainly the House of Commons, if it had consented to such an enquiry, which it could not possibly have done, until all petitions charging bribery had been disposed of, would have taken care that it should have been a strictly impartial one, and that it should have had for its object to ascertain whether the law had been violated; and if so, whether one or both of the political parties were open to censure. The Canadian law against corrupt practices is modelled on that of England, and is very stringent; but even without violating that law, heavy expenses must be incurred at elections, which are strictly legal, and which often fall heavily on the less wealthy members of political parties. Hence in Canada as in England, it has been the invariable practice since the introduction of party government, for both parties to obtain aid from their wealthy supporters. Mr. Huntington did not venture to base his charge on the fact that Sir Hugh Allan had contributed to the Ministerial election fund, nor did he allege that money had been illegally spent by the Ministerial candidates; he affirmed in his resolutions that "an understanding was come to;" that "Sir Hugh Allan and his friends," meaning "certain United States capitalists," "should advance a large sum of money for the purpose of aiding the elections of Ministers and their supporters at the ensuing general election, and that he and his friends should receive the contract for the construction of the railway."

On this distinct charge the Government joined issue, and the First Minister having given it an emphatic denial in his place, proposed

the appointment of a Committee of five by the House for the purpose of investigating it. In the course of the discussion of this resolution it was suggested by the Leader of the Opposition that a Bill should be introduced giving power to this and other Committees to take evidence on oath. Sir John Macdonald expressed his opinion that the evidence ought to be taken under oath. Several other members strongly expressed the same opinion; and Sir John Macdonald, after intimating his doubt as to the power of the Canadian Parliament to pass an Act authorizing a Committee to take evidence on oath, promised that either by Commission or by Act of Parliament the witnesses should be sworn. It may be convenient to dispose here of this branch of the proceedings. Mr. Holton, one of the Opposition leaders, immediately objected to a Commission, on the ground that it would be under the control of the Government, and though Sir John Macdonald undertook that the Commission should report to the House, and be composed of the same members selected by the House as its Committee; and although he further offered to move a Committee in the ordinary way which would not have power to take evidence on oath, he did not succeed in satisfying the opposition. Finally, the Committee of Five was struck, and the Chairman of that Committee, in due course, introduced a Bill empowering the Committee to take evidence on oath. Sir John Macdonald again expressed his doubt as to the constitutionality of the Bill, and warned the House that it would be a blot on the legislation of the country if the Act should be disallowed in England. He repeated his offer of a Royal Commission. Mr. James Macdonald and Mr. Glass, both lawyers on the Ministerial side, concurred with Sir John Macdonald, as did many members who did not speak, but the Opposition Members taunted the Government with obstructing the Bill, and it was finally ordered for a second reading. In the course of the Debate on the second reading Mr. Palmer and Mr. Carter, eminent lawyers from New Brunswick and Quebec, doubted the jurisdiction of the House in this matter, and Sir John Macdonald contented himself, in view of the unanimous feeling of the Opposition, supported by the opinion of the Chairman of the Committee, with admitting that the House ought to have the power if they had it not; and should the Bill be disallowed, he supposed there would be no difficulty in getting an Imperial Act sanctioning it. Such were the circumstances attendant on the passing of the Oaths Bill. The doubts were entirely on the Ministerial side. Not only Sir John A. Macdonald, but Mr. James Macdonald of Nova Scotia, Mr. Palmer, of New Brunswick, Mr. Carter of Quebec, and Mr. Glass, of Ontario, warned the House that they were violating the Union Act. However, the bill passed, and received the assent of the Governor General, though not without hesitation. After the Governor's assent to the Bill the Committee met, when Sir John A. Macdonald objected to proceeding to business in the absence of Sir George Cartier, Mr. Abbott and Sir Hugh Allan, the two last being the persons with whom the alleged understanding took place, and without whose evidence it was obviously impossible to dispose satisfactorily of the charges. The majority of the Committee admitted that the demand for delay was reasonable, and reported resolutions to the House asking leave to adjourn to the second of July, by which time it

was expected that the absent witnesses would have returned to Canada. This led to a protracted debate, the result of which was a majority of 31 in favour of the recommendation of the Committee. When the Committee met in July, pursuant to adjournment, it was found that the Act authorising evidence to be taken upon oath had been disallowed by the Crown in accordance with the advice of the Crown lawyers, and notwithstanding that the Governor General had presented all the arguments that could be employed to secure the assent of the Crown. For this *contretemps* most assuredly the Dominion Government was not responsible. Sir John Macdonald immediately renewed his offer of a Royal Commission, with power to report to Parliament, as well as to the Governor, but the minority of the Committee refused, on grounds which have been generally condemned by all impartial writers out of Canada, to serve on a Royal Commission. They contended that the House had objected to the Commission, but with strange inconsistency they proposed to proceed with the enquiry without examining the witnesses on oath, although the instruction to the Committee was that the evidence should be taken on oath. It was impossible to comply strictly with the orders of the House, but there seems no reason for doubting that if the House could have imagined that it would have to choose between a Committee without power of examining under oath, and the members of the Committee acting as a Commission, with instructions to report to the House, and with full powers as to the examination of witnesses, it would have accepted the Commission in preference to the Committee. The objection to the Committee was one of substance, and one on which the House had expressed an unanimous opinion. The objection to the Commission was merely sentimental, founded on an idea of interference on the part of Ministers, an interference which would have been repudiated as strongly by the majority as by the minority of the Committee, and which, even if Ministers had desired, they would not have dared to employ. The Committee of the House having got into a dead lock adjourned, and very shortly afterwards, the Opposition resorted to proceedings which cannot be designated otherwise than as a gross breach of the privileges of Parliament.

Before referring to these proceedings it is desirable to call attention to two circumstances that occurred prior to the adjournment of the two houses of Parliament. On the 15th May, Mr. Huntington stated in his place that he was credibly informed, and believed that original documents of the greatest importance in the investigation of the charges referred to the select Committee, were held by a Trustee whose name he was prepared to disclose to the Committee, on such conditions and under such circumstances that there was very great danger that they might be placed beyond the reach of the Committee, before the 2nd July, the day to which the Committee stood adjourned. Mr. Huntington accordingly moved that the Committee be ordered to meet next day, and to summon the said Trustee to produce the documents in his possession. In the course of his observations Mr. Huntington was about to read to the House certain letters and documents, whereupon Sir John A. Macdonald raised a question of order, contending that it was not competent for the Hon. member to read any documentary evidence, or letters, as they could only be

properly submitted to the Select Committee, to whom the whole case had been referred by the House. Mr. Speaker gave his decision as follows: "The question of order, as I understand it, is this: Whether a member on making a motion is to be permitted to read certain letters and papers which it is said will support that motion, and which relate to a charge referred on a previous occasion to a Select Committee for investigation. This is bringing into the House for decision evidence that must come before that Committee in support of the charges. I do think, and I appeal to both sides of the House, that upon the point of order, as well as upon the strong justice of the case, I am bound to rule that the Hon. member cannot read these papers." This decision of the Speaker not having been appealed from, became the decision of the House. The resolution was then carried *nem con.*, the so called Trustee was in due course summoned before the Committee, and produced a sealed package, entrusted to him for safe keeping, of the contents of which he declared himself ignorant. The package was restored to him after being endorsed by the Chairman and the members of the Committee.

In the discussion on Mr. Huntington's resolution, and on the point of order, Sir John Macdonald pointed out that the hon. member was pursuing the same course that he had formerly pursued in attempting to lay before the House evidence criminal in its nature, so as to leave a long time for this partial evidence to be before the country without any evidence being afforded for its rebuttal. Notwithstanding the decision of the Speaker on the 15th May, and the manifest injustice of publishing portions of evidence in support of charges which all parties in Parliament had agreed to refer to the investigation of a Committee, before which the evidence was to be taken under oath, hardly had the Committee adjourned early in July under the circumstances already described, than the leading organs of the Opposition, the *Toronto Globe* and *Montreal Herald*, obviously with the concurrence of the minority of the Committee, published copies of the very letters of Sir Hugh Allan which the Speaker had refused Mr. Huntington permission to read in the House, on the ground that it would be "a most unfair and irregular course," "a course that would not be permitted in a court of justice." This most irregular proceeding was followed up by one, if possible, still more scandalous. Mr. G. W. McMullen, the principal witness in support of Mr. Huntington's charges, published in the form of a letter a narrative of certain transactions between Sir Hugh Allan and himself, professing also to relate the substance of conversations which took place between them, and supplementing his narrative with "authenticated copies of documents which bear on the subject, and which will demonstrate the manner of conducting the business." The documents in question were stolen from a private desk or drawer, and have no reference whatever, direct or indirect, to the Pacific Railway. But introduced by Mr. McMullen as supporting his charge of a corrupt bargain between the Government and Sir Hugh Allan, it can excite no surprise that they produced a very startling impression on the public mind. Mr. McMullen likewise applied to the Hon. A. B. Foster, one of the Senators of the Dominion, as one "personally cognizant of many of the facts," asking him for a letter in support of his statements. Mr.

Foster was one of the witnesses, whose names were given to the Committee by Mr. Huntington, but he seems not to have deemed it improper to give to another witness for publication a letter not under oath, and which was calculated to prejudice the public mind. This is not the place to comment either on Mr. McMullen's narrative or Mr. Foster's letter; they are referred to as evidence of the gross injustice of the proceedings adopted by the Opposition to influence public opinion against the Government, at the very time when Parliament was about to meet pursuant to adjournment. Under the very peculiar circumstances of this case, owing to the indecent and flagrantly unjust conduct of the Opposition, the members of the Government authorized a statement to be made, that "In so far as any part of those communications, or of the documents published with them, tends or purports to implicate any member of the Government in any agreement, promise, or understanding to grant or to further the granting of the charter of the Canadian Pacific Railway Company, or the contract for the building of that railway as compensation for assistance to the late general elections, or for pecuniary considerations of any kind, or upon any ground, or for any reasons inconsistent with their duty as members of the Government, those communications and documents are either absolutely and entirely false, or so expressed as to convey an absolutely false impression."

While the Members of the Government felt it their duty to make the foregoing announcement they became even more strongly impressed with the conviction that it was indispensable, that the evidence must be taken under oath. To this all parties in the House, but especially the members of the Opposition, had agreed, and there was no mode by which the object could be accomplished but by the issue of a Royal Commission. In the authorized statement of the Ministers, it was announced that "at the earliest possible moment the whole of the facts and circumstances will be laid before a tribunal competent to receive evidence respecting them under oath." This announcement, though calculated to allay the public excitement, did not prevent Ministers suffering from the unfair proceedings to which reference has been made. Relying on the effect of the documents which had been so irregularly published, the Opposition conceived the idea of taking advantage of the meeting of the Houses, which was to take place on the 13th August, pursuant to adjournment, and for the purpose of prorogation, to summon their supporters, and endeavour to obtain a decision against the Government in the absence of its friends, and without any real investigation of Mr. Huntington's charges. The tactics of the opposition had been foreseen and exposed during the discussion prior to the adjournment. Mr. Thomson of Cariboo, in British Columbia, had ridiculed the idea of members living on the shores of the Pacific returning to Ottawa in two or three months, and had accused the Opposition of intending to take advantage of the absence of the members from distant Provinces to attempt to carry resolutions by a partizan majority. Sir John A. Macdonald had more than once intimated to the House that the meeting on the 13th August was to be merely *pro forma*. He said, "The members need not come back on the 13th August. All that would be required was the Speakers of both Houses in the chair, and the Committee who would

"make the report which would be read and published, and go before the country with the evidence; and he appealed to the House if this was not a fair and honest course to pursue." Relying on the distinct assurance given that there would be no business session in August, several members went to Europe, while others made their arrangements not to be present in Ottawa. Under the circumstances it would be difficult to point out a fairer course than that adopted by the Government, viz., to prorogue Parliament, to appoint a Royal Commission of Judges, and to promise an early Session of Parliament for the despatch of business, when the Commission should have completed their enquiries. Of course the Opposition were not satisfied. Their object was to prevent any evidence but that which they had irregularly promulgated, finding its way to the public. Accordingly, they raised the cry that the object of the Government was to oust the House of its jurisdiction. It is difficult to comprehend how such a cry could be raised with the least success. The House itself will decide at its meeting how to deal with the evidence, and can refer it to a committee if it should see fit.

It is unnecessary to dwell on the proceedings at the prorogation when the Opposition members displayed a violence which cannot but detract from their political reputation. They, and they alone, are responsible for all the delays which have taken place, and if any complaint should be made of the proceedings before the Commission, Mr. Huntington who declined to appear before it, and to render his aid in eliciting the truth, must be held chiefly responsible.

It is time now to consider the bearing of the evidence taken before the Royal Commission on the charges preferred by Mr. Huntington. The gist of the charge was that there was an understanding between the Government and Sir Hugh Allan, and Mr. Abbott, M.P., that Sir Hugh Allan and his friends (meaning certain American capitalists), were to advance a large sum of money for the purpose of aiding the Ministers and their supporters at the ensuing general election, and that he and his friends should receive the contract for the construction of the Railroad.

The branch of the charge which relates to an agreement between Sir Hugh Allan, and certain American capitalists, was originally relied on by Mr. Huntington, at the opposition press, as establishing a kind of treason on the part of the Government, in selling the Canada Pacific Railway to Foreigners. The language of the resolutions is susceptible of no other construction than that "the friends" of Sir Hugh Allan, with whom the alleged "understanding" took place, were these Americans. Infamous as is the charge in any point of view, it is still more atrocious when applied to an alleged sale of the road by the Government to foreign capitalists. The evidence is conclusive as to the fact that at the time when the legislation of 1872 took place, and long prior to the alleged understanding, the policy of the Government was to exclude foreigners from all connection with the Railway. This is a most important point, for the whole difficulty regarding rival Canadian companies, arose from the apprehensions which existed in the public mind, and especially in the Province of Ontario, that it was the intention of Sir Hugh Allan to introduce foreign capitalists into his company. Completely discomfited as to this branch of the charge, the

opposition have changed their ground, and it is no longer pretended that there was any trafficking, directly or indirectly, with foreigners. It is Sir Hugh Allan that is said to have been induced to contribute to the elections, by—what? Was it ever contemplated or proposed by any one, to exclude from the Company to be formed, to construct the Pacific Railroad, the wealthiest man in the Dominion, he being willing to incur the responsibility of joining the company? What had the Government to offer to Sir Hugh Allan? Parliament had already decided, not only the amount of subsidy, but the terms of the charters to the Canada Pacific and the Interoceanic Company, respectively. The single point of controversy was the exclusion of the American element, and that the Government decided against Sir Hugh Allan's wishes. But it is alleged that Sir Hugh was promised the Presidency of the Company, and that this he was very anxious to secure. The allegation is not strictly correct. When a certain scheme of amalgamation was under discussion, which contemplated the appointment of 4 directors by the Canada Pacific, 4 by the Interoceanic, and 9 by the Government, the Government promised to use its influence in favor of Sir Hugh Allan for the Presidency. He was already head of one company, and the choice was between him and the head of the other company, Mr. Macpherson. Surely adverting to the fact that Sir Hugh Allan had been for months in correspondence with the Government before the Interoceanic was thought of, that the Government had conceded to the Interoceanic the exclusion of the Americans, which was all they professed to seek, other than corrupt motives may be assigned for the promise of their influence, which, after all, might not have secured their object. The result was that the proposed amalgamation never took place, and although there were subsequent negotiations for amalgamation on a different basis, the final arrangement was a new company, and no influence respecting the Presidency was employed. It is not, however, contemplated to seek to shelter the Government under the complete demolition of that portion of Mr. Huntington's charges which relates to intrigues with foreigners; a broader ground must and ought to be taken, viz., an absolute denial that there was any understanding expressed or implied with Sir Hugh Allan, personally or in connection with associates, whether British subjects or foreigners.

The alleged understanding is said to have taken place between the Government and Sir Hugh Allan, and Mr. Abbott, M.P. It was clearly understood that it would be proved by oral or documentary evidence, or by both combined, and accordingly Mr. Huntington furnished the Committee with the names of 33 witnesses to be examined in support of his charge, and subsequently he gave the name of a gentleman described as a Trustee, who held "original documents of the greatest importance in the investigation of the charges." Mr. Huntington further declared publicly that he would be able to prove his charge by the evidence of Sir John A. Macdonald and Sir Francis Hincks, the latter of whom was the first witness on his list. It is important to bear all this in mind, as it is now contended by Mr. Huntington and his political friends, that the mere fact that Sir Hugh Allan subscribed largely to the election funds is of itself proof that he did so in consequence of an understanding. If the position now taken be a tenable one, it is unfor-

fortunate that Mr. Huntington should have alleged the existence of an understanding that Sir Hugh Allan and his friends should receive the contract for the construction of the railway, and should have furnished the names of witnesses to prove it. It is, however, fortunate that the Government is not obliged to rely on the absence of all proof of the alleged understanding, but is in a position to demonstrate that no such understanding could have taken place. As great reliance has been placed by the Opposition on certain letters and telegrams written by members of the Dominion Government in the month of July, 1872, it seems desirable before noticing these documents to state the precise position of the relations of the Government to the Pacific Railway at the period when the alleged understanding was arrived at. In the session of the Dominion Parliament, held in 1871, it was decided first, that the Government and Parliament of Canada would secure the construction of a Railway to the Pacific as one of the conditions on which the Province of British Columbia entered the Union. Secondly, that this railway was not to be a public work, but to be constructed through the instrumentality of a chartered company. Thirdly, a vote of money for a preliminary survey was granted, and during 1871 several parties were engaged in carrying on such survey. Members of the Government took no steps to promote the organization of companies. In the early part of the month of July, 1871, a deputation came to Ottawa on the part of certain American capitalists, offering to undertake to form a company for the construction of the Pacific Railway. They were accompanied by some Canadian gentlemen, and had an interview with two of the Ministers, Sir John A. Macdonald, and Sir Francis Hincks, who happened to be in Ottawa at the time. They received no encouragement whatever, and were informed that the Government was not prepared to enter into negotiations on the subject. Subsequently the same parties, through an authorized agent, proposed to make an attempt to interest Sir Hugh Allan and other Canadian Capitalists in the project, but received no encouragement whatever to do so. At a later period Sir Francis Hincks furnished to Sir Hugh Allan the names of the American capitalists who had made the proposal in July, and Sir Hugh Allan, on his own responsibility, corresponded with these gentlemen chiefly through their agent Mr. G. W. McMullen. In October, 1871, Sir Hugh Allan, accompanied by Mr. McMullen and Mr. Smith of Chicago, had an interview with some members of the Government when they were again informed that the Government was not prepared to negotiate on the subject. No further proposition was made to the Government for several months after Oct., 1871. Sir Hugh Allan, shortly after the interview referred to, paid a visit to England, and only returned in December when he resumed his negotiations with his American associates. Up to this time no other parties in Canada, unconnected with Sir Hugh Allan, had given the least intimation to the Government that they were prepared to organize a company to construct a Pacific Railway. There is reason to believe that but for Sir Hugh Allan's American associates there never would have been any rivalry whatever regarding the Pacific Railway scheme.

In the evidence of the Hon. D. L. Macpherson, he states: "Had it not been for my objections to Sir Hugh Allan's scheme, and my desire in the interests of the country to frustrate that scheme, I

“probably would not have appeared in connection with the Canadian Pacific Railway at all. It was only after I found that Sir Hugh Allan would not abandon his American associates, that I proposed to certain gentlemen in Toronto and elsewhere, to apply for a Charter, and to be prepared to do whatever might seem best when the time for action arrived. The gentlemen to whom I addressed myself agreed in opinion with me, and we petitioned for an Act incorporating the Inter-Oceanic Company.”

Without desiring in the least degree to reflect on the motives which induced Mr. Macpherson, shortly before the Session of Parliament of 1872, to organize an opposition to Sir Hugh Allan's company, it cannot but be a matter of regret in view of subsequent events that for many months of 1871, no influential Canadian but Sir Hugh Allan evinced a desire to promote the construction of a Pacific Railway, by means of a company. It is a mere act of justice to Sir Hugh Allan to point out that the organization of American capitalists was formed without his knowledge, that he was invited on terms that he no doubt thought advantageous as a business man, to join that organization, that he was never informed by the Government that no American capitalists would be permitted to take an interest in the company, and that he could not at the time of his first negotiations with Mr. Macpherson, have honourably withdrawn from his association with gentlemen, who had in fact taken him into a scheme in which originally he had no interest whatever. As bearing on the present controversy, the negotiations between Sir Hugh Allan and Mr. Macpherson are of little importance. The Government had nothing whatever to do with them, and had no cognizance of them. Mr. Macpherson, though he took the field late, had a strong public sympathy with him, in opposition to the American element in Sir Hugh Allan's company, but on the other hand, entirely without reference to the question of whether Americans should be admitted or not, there was a very strong feeling in the Province of Quebec in favour of the Allan company. There was an idea strongly prevalent that the Inter-Oceanic Company was anxious to promote the interests of Ontario in preference to those of Quebec; and there was likewise a very strong feeling prevalent in the Province of Quebec, and especially in Montreal, that the Grand Trunk Railway Company was hostile to the railroad enterprises promoted by Sir Hugh Allan. Some of these had no direct connection with the Pacific Railway, and were not entitled to aid from the Dominion, but they were intended to be subsidiary lines to the Pacific, and to be links in connecting that great National line with the City of Montreal. All these facts have a bearing on the Pacific Railway negotiations. When in the Session of 1872, the Government was obliged to submit a measure to Parliament for the construction of the Pacific Railway, it carefully avoided entering into the disputes between the rival companies. It obtained the sanction of Parliament to an Act fixing the subsidy in money and land, to be given to the company consenting to construct the road, and defining the conditions to which the company would be subject. It likewise obtained power to incorporate a new company, in case it should fail to come to a satisfactory agreement with either of the two companies which were incorporated on similar terms, viz., the Canada

Pacific, popularly known as the Allan Company, and the Inter-Oceanic Company, popularly known as the Macpherson Company. At the close of the Session then, Parliament had fixed the amount to be granted in land and money in aid of the said road, it had incorporated two companies with power to amalgamate, but so either of which the Government might entrust the building of the road, and it had empowered the Government, if it should see fit, to incorporate a new company.

At this time, a single difficulty stood in the way of perfect agreement between all classes of Canadians, and that was Sir Hugh Allan's connection with certain American capitalists. As Mr. Macpherson stated in his evidence, the Inter-oceanic Company was got up expressly because Sir Hugh Allan would not abandon his American associates. The Government, desirous not only on grounds of public policy, and in deference to the general feeling of the country, but likewise in accordance with their own long formed opinions, to eliminate the American element from the Pacific Company, let it be clearly understood that they desired an amalgamation of the two companies on the basis of the exclusion of the Americans. The general election, however, was at hand, and before any progress could be made in the negotiation, the ministers of the crown were obliged to separate, and were for some weeks unable to meet in council. It was at this time that the late Sir George E. Cartier, one of the ministers, being in Montreal, and a candidate for one of the divisions of that city, which he had represented in the previous Parliament, had several interviews with Sir Hugh Allan on the subject of the arrangements for constructing the Pacific Railroad. Sir George Cartier appears to have kept the First Minister advised of all that took place between Sir Hugh Allan and himself, and Sir John A. Macdonald was at the same time in communication with Mr. Macpherson, the provisional President of the Inter-oceanic Company. It is evident from Sir John Macdonald's telegram to Sir George Cartier, dated 26th July, 1872, that he then hoped that there would be no difficulty in effecting the amalgamation. Sir Hugh Allan was to be compelled to abandon his American associates, but it was the opinion of Sir John, that it was very reasonable, in view of his wealth and position, and his previous negotiations with the Government, that he should be appointed President of the amalgamated Company. It was a point on which he or Mr. Macpherson would have to give way. Mr. Macpherson informed Sir John that he could not "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." Sir John then, with a view of inducing Sir Hugh Allan to meet Mr. Macpherson, authorized Sir George Cartier "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." It is to be observed here that the Board of Directors was to consist of a certain number from each of the rival companies, and a certain number appointed by Government, and with the latter alone Government could have any influence. The only other document that has been published in connection with Sir George Cartier's negotiations, is his letter of 30th July, 1872, to Sir Hugh Allan. This letter was the result of a

pressure on the part of Sir Hugh Allan for "certain modifications of the terms of the above telegram from Sir John Macdonald." Sir Hugh states in his affidavit, that Sir George became convinced that he was entitled to have certain modifications conceded to him "and expressed his willingness to recommend them to his colleagues." Sir Hugh requested that Sir George Cartier would put in writing what he had verbally stated, and accordingly he wrote the letter of 30th July, which is as follows:—

"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 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 letter, I shall use my best endeavors to have them carried into effect.

"Very truly yours,

(Signed,)

GEO. E. CARTIER."

On this letter, which has been the subject of much comment, it is to be observed, that there is nothing inconsistent with the most perfect honesty of purpose on the part of both negotiators. Sir Hugh Allan was impressed with the idea which he conveyed to Mr. McMullen in his letter of 16th July, that Sir George Cartier, and perhaps Sir John Macdonald, were desirous of incorporating a new company, a scheme to which he naturally had a great objection, though, ultimately, he was compelled by circumstances to assent to it. He therefore desired that in case of the failure of the amalgamation scheme, owing to the refusal of the Inter-oceanic Company to come into it, "the arrangements should be made with the Canada Pacific Company, under its charter." Sir George, however, acted with all due caution. He gave his individual opinion as to what he thought the Government would do, and would

up his letter by assuring Sir Hugh Allan "I shall use my best endeavours to have them carried into effect."

The letter was wholly non-committal as far as the Government was concerned, and it is evident that Sir Hugh Allan was of that opinion himself, as he deemed it expedient to endeavour to fortify himself with a similar promise from Sir John A. Macdonald. Sir John seems at once to have perceived the danger of giving such a pledge. Anxious as he and all his colleagues were to procure an amalgamation and thus reconcile the Ontario and Quebec discordant elements, he was aware that if the charter were given to either Company to the exclusion of the other, fuel would be added to a flame already raging in each Province to a dangerous extent. He promptly signified his objection to the proposal, intimating his intention of proceeding to Montreal, but Sir Hugh Allan at once consented that Sir George Cartier's letter should be considered as withdrawn. The only document therefore on which Mr. Huntington has to rely is Sir John Macdonald's telegram of the 26th July, and it will hardly be pretended that that affords any ground for his charges. How far, then, is the charge supported by the witnesses designated by Mr. Huntington? There were 34 in number, and 6 additional ones were summoned by the Commission, making 40. Of these 36 were examined before the Commission, two were absent in England or elsewhere, and two declined to appear, viz., Mr. George W. McMullen, and the Hon. A. B. Foster. The last named gentlemen, have, as already stated, professed to state, though not on oath, all that they knew on the subject. Not a single one of the witnesses examined before the Commission knew anything of an understanding between the Government and Sir H. Allan and Mr. Abbott. The great majority of the witnesses knew nothing at all about the expenditure of money at the elections, but 5 witnesses, unconnected with Government, admitted that they were aware that Sir Hugh Allan had subscribed liberally to the elections, chiefly to that in the Eastern division of Montreal. Six of the Ministers, including the First Minister, were examined, all of whom positively swore that there was no understanding whatever within their knowledge that Sir Hugh Allan or his friends were to have the contract or any advantage in connection with the Pacific Railway. Sir Hugh Allan and Mr. Abbott, the other parties to the understanding, swore likewise that there was no such arrangement. But in addition to this positive testimony, it was conclusively proved that long after the time when it was alleged that an understanding was entered into with Sir Hugh Allan and Mr. Abbott that the former and his friends were to receive the contract, the Government was laboring to effect an amalgamation between the two Companies. They did not succeed, but in justice to Sir Hugh Allan it must be observed that he expressed his readiness to enter into the amalgamation on terms such as the Government would think reasonable. The main difficulty in the way was the impossibility of convincing the Inter-Oceanic, or Macpherson Company that Sir Hugh Allan had really broken off all connection with the American capitalists with whom he had been originally connected. However all these negotiations were finally terminated in the month of November, 1872, more than four months after the alleged understanding between Sir George Cartier and Sir Hugh Allan had taken place. Thereupon an entirely new organization was set on

foot, and it must be noticed that in the course of the amalgamation negotiations, the Government became convinced that there were influential members of the Inter-Oceanic Company who, while concurring generally in Mr. Macpherson's views, were nevertheless of opinion that the Government had adopted adequate precautions against the introduction of foreigners into the new company. These gentlemen were not prepared to adopt Mr. Macpherson's extreme views, and sufficient assurances were given to the Government that in the event of a new company being formed on a wider basis than had yet been proposed, gentlemen heretofore connected with the Inter-Oceanic Company, would be prepared to take the position of Directors, as representative men from the Province of Ontario. In this new organization, Sir Hugh Allan had no preponderating influence, indeed it must be observed, that those who pretend that a keen business man like Sir Hugh Allan would never have expended a large sum of money in aid of elections, unless he had had the assurance either expressed or implied that he would obtain the Pacific Contract for his company, are singularly at fault, when they have to deal with the fact that a Charter was given, not to Sir Hugh Allan and his friends (meaning his American associates,) but to 13 gentlemen—5 from Ontario, 4 from Quebec, and 1 from each of the Provinces of Nova Scotia, New Brunswick, British Columbia and Manitoba. It has been shown in evidence, that out of the 13 gentlemen selected, Sir Hugh Allan had only influenced one appointment. Out of the 5 names from Ontario, 3 were those of Directors in the rival Inter-Oceanic or Macpherson Company, and several were appointed notwithstanding the strong opposition of Sir Hugh Allan. If then there is the least force in the argument that Sir Hugh Allan would never have subscribed so liberally to the election funds, unless he had an understanding that he and his friends were to get the Contract, surely the fact that he had not only consented to share this very Contract with a rival company, but that he subsequently accepted an equal interest with twelve other persons, with whom he had no previous association or undertaking, is conclusive proof that he had no pledge that he was to receive the Charter for himself and his friends.

It has been candidly admitted by one of the most virulent assailants of the Government, that "it has not yet been made apparent to us, that there was anything in the terms of the Contract, which if honestly carried out, would necessarily have been injurious to the public." It would have been only candid had the writer stated that the Charter was in strict conformity to the Act of Parliament, passed long before the alleged understanding.

It seems hardly worth discussing that branch of Mr. Huntington's charge, which refers to Sir Hugh Allan's agreement with certain American capitalists, and to the cognizance of the Government of the negotiations. As to the agreement itself, no member of the Government ever saw or heard of it until it was published. As to the fact of their being aware of the negotiations, it is of course true that Sir Hugh Allan when he visited Ottawa in October, 1871, was accompanied by Mr. McMullen, and Mr. Smith of Chicago, who were known to represent other Americans, but no encouragement was given them by the Government, and it must have been well known to them all,

that there was a decided opposition to the introduction of foreigners. The truth is that up to a short period before the Session of 1872, Sir Hugh Allan and his American associates believed themselves masters of the position, and that they had good reason for so believing, is evident from Mr. Macpherson's evidence already referred to, that the Inter-Oceanic Company was started chiefly for the purpose of frustrating Sir Hugh Allan's scheme of co-operating with foreigners. The evidence before the Commission is conclusive, in completely exonerating the Government from having given the least encouragement to Sir Hugh Allan's original scheme. Long before the elections, and of course before Sir Hugh Allan had subscribed to the election funds, he had received the fullest notification that foreigners would be excluded from the company. That, be it observed, was the only point in dispute—it was what led to the formation of the Inter-Oceanic Company, and it was Mr. Macpherson's doubt as to Sir Hugh Allan's sincerity, and perhaps, to the efficiency of the safeguards proposed by the Government, that caused the failure of the amalgamation scheme. While demonstrating the total failure to establish any part of Mr. Huntington's charge, there has been no attempt to deny the fact that Sir Hugh Allan contributed liberally to the election funds. He, himself, has stated his reasons. He had determined to take an active part in carrying out not only the Pacific Railway scheme, but other railroads subsidiary thereto. He naturally took a deep interest in preventing the success of a party pledged to obstruct the measure to which the sanction of Parliament had been given. His wealth enabled him to afford liberal aid, though it is evident that in the heat and excitement of a general election, he actually subscribed much more than he had originally contemplated. The election expenditure, however, is not, as has been already stated, Mr. Huntington's charge, and but for the base attempt to connect this expenditure with the Pacific Railway charter, by the use of stolen documents, it ought not to have been enquired into, unless shown to have been advanced on the alleged condition that the railway contract was to be given as an equivalent. It may be desirable to give a brief synopsis of the evidence taken before the Commission, and with that object to classify the witnesses who were examined. Of these, 6 were members of the Government at the period when the alleged "understanding" took place, and they were all on Mr. Huntington's list. They were Sir John A. Macdonald, Hon. Mr. Campbell, Hon. Mr. Langevin, Hon. Mr. Chapais, Hon. Peter Mitchell, and Sir Francis Hincks. Two others were Sir Hugh Allan and Hon. Mr. Abbott, M.P., the parties with whom the "understanding" is alleged to have taken place. Others were Hon. Senator Macpherson, President of the Inter-Oceanic Company; Colonel Cumberland, Mr. Sandford Fleming, Mr. E. R. Burpee, Mr. McInnes, Hon. J. O. Beaubien, Mr. J. L. Beaudry, Mr. R. N. Hall, all Directors of the Canadian Pacific Railway. The other witnesses may be very briefly disposed of. Two, the Hon. Mr. Ouimet and Mr. T. White, were not on Mr. Huntington's list, but having been charged with corruption by Mr. McMullen, were afforded an opportunity of denying the charge. Of the other witnesses, the Hon. Mr. Starnes produced a packet of papers delivered to him for safe keeping, and which had previously been pub-

lished most improperly by the Opposition press, from copies obtained surreptitiously, if Mr. McMullen can be believed. The members of the Committee had restored the packet to Mr. Starnes, having previously examined the seal, and placed their signatures on the envelope. Mr. Starnes and other members of Sir George Cartier's Election Committee, proved that money had been contributed by Sir Hugh Allan for the elections. The other witnesses knew nothing whatever about the matters in question. One of them, Mr. Coursol, asked Mr. Huntington why he had been summoned, and offered to state on oath his answer to any questions that Mr. Huntington might wish to put to him, and was told in reply, that somebody had suggested his name, but that he (Mr. H.) did not know or remember what evidence was expected from him. With regard to the charges preferred by Mr. McMullen, but not embraced in Mr. Huntington's charge, that money had been paid as a gift or loan to Sir John A. Macdonald and Sir Francis Hincks, those gentlemen, as well as Sir Hugh Allan, swore positively that no such payments had been made. This charge was particularly directed against Sir F. Hincks, but Sir Hugh Allan swore that he never had a conversation with that gentleman on the subject of money. All the Ministers examined swore positively that it was part of the Ministerial policy, from the time of the introduction of the Railway Bill into Parliament, to exclude foreigners from all connection with the railroad. Mr. Abbott, who prepared the Canada Pacific Charter, admitted that he was made fully aware of this determination. Sir Hugh Allan admitted that owing to the strong feeling which he found in the House, he consented that foreigners should be excluded. The parties to the alleged understanding, viz.: The Members of the Government, and Sir Hugh Allan, swore that there never was any such understanding, but they did more than this—they stated the progress of all the negotiations on the subject of the Charter, and showed that no favour had ever been conferred on Sir Hugh Allan, who had merely become a Director in a Company chartered on terms sanctioned by Parliament, long before the time when the alleged corrupt understanding took place, and that he had the same interest and no greater than his 12 co-directors. It may be safely asserted that no fact has yet been proved to establish the allegation that Sir Hugh Allan received any advantage whatever in connection with the Pacific Charter. As the evidence taken before the Commission will be printed *in extenso*, it seems unnecessary to dwell on minor points. It may however be noted that evidence was given to show that in elections where there was no interference on the part of Government, money was spent very freely by one at least of those who has been prominent in assailing the Ministry.

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