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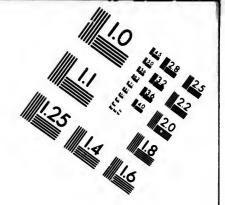
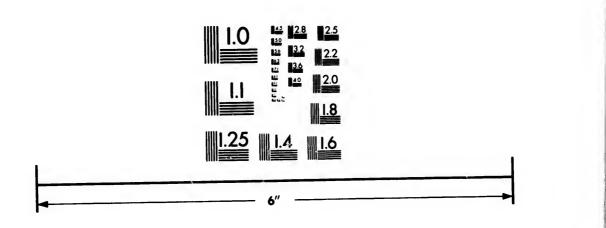
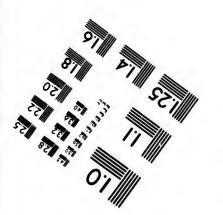


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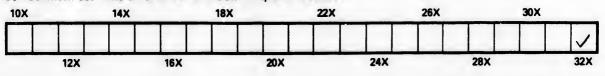


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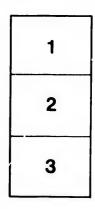
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The Story of the Pacific Scandal,

In the session of 157.1 the country was astounded by the proposal embodied in the terms of union offered by the Canadian Government to British Columbia, that the Dovinion should guarantee to commence within two years, and com-plete within ten years, a railroad which, in connection with the axisting Canadian Lines, should stretch from the Atlantic to the Pacific. The road for certain would be 2,500 miles, and might be 2,700 miles in length. It might, according to circum-stances, cost ONE HUNDRED, ONE HUNDRED AND FIFTY, or TWO HUNDRED MILLIONS of dollars. Sir Hugh Allan, in fact, did ultimately propose to borrow for the completion of the scheme a capital of ONE HUNDRED AND EIGHTY MILLIONS. No plans for its construction were before the Government. No surveys had been made; no estimate of the cost had been submitted. The preliminaries necessary before commencing an undertaking which the national faith was thus pledged, were not even those which would be adopted befure agreeing to erect a lighthouse or build a bridge. Yet the onterprise, in proportion to the wealth and nambers of the people, would be unprecedented in its magnitude, and tax the national resources to the utmost.

British Columbia's Demand,

What made the bargain all the more extraordinary was, that the British Columbians did not insist upon nor even ask Canada to commit herself to any such ongagement. What they demanded was as fallows:---

as follows:--"I hasmuch as no real union can subsist "botwess the colory and Gamba without "the speedy establishment of continues, the speedy establishment of continues, "the speedy establishment of destablishment "cocch read and railway, the Domition "thall, within three years from the data of "main, construct and open for traffic such "cocch read from some point on the line of "the sailer from some point on the line of "the sailer practicable character to the "said main truck read's and shall forther "angage to use all means in her porrer to "the sailer practicable commenced; and "the sailer practicable commenced; and "the sailer thread her arrow and the state of "and after thread years for the see band "d fortub read of the concest with the "railway show of Canada." What Canada Granted.

What Canada Granted.

Instead of this moderate proposal, that Canada " SHOULD USB ALL THE MEANS IN Has. rowes" to complete such railway communication, the Government of Canade offered and inelated on Parliament secenting to the following: -

"The Government of the Duminion under-"take to see use the ocr monosment simpl-"takeonaly, within two years from the date "of anion, of the construction of a railway "from the l'asidu towards the Rocky Monotains, and from each point as may be setticd east of the Rocky Mountaine to-"settici est of the Rocky Monnhains to "warfs the Faidle, to connect the seaberd "of British Collargies with the railway "system of Canada; and, farther, to score "the completion of such railway within ten "years from the date of the suice."

The proposition was most unpalatable to the House of Commons. An amendmeat, moved by Mr. Mackenzie, " That "Canada ahall not be pledged to do more "than proceed with the neouseary sur-" veye, and, efter theroute is determined, "to prosecute the work at as early a " period as the state of the finances will "justify," was defusted on a party divl-sion by, Yeas 63, Nays 98. But this did not by, any means fairly represent the feeling of the House. At a later stage, Mr. Ross, member for Dandas, and a supporter of the Government, moved an amendment, "That in the opinion of the "House the further consideration of the "question be postponed for the present "session of Parliament, in order that " greater and more careful consideration "may be given to a question of such " magnitude and importance to the people

build the road, to receive these wast esh-eides, and to sperate the read for allown-ing time. It faulty gave powers to the Government to GRANY A OHARTER HAVINO THE SAME EFFEOT AS AN AOT OF PARLIAMENT, amalga-meting any selsing incorporated compan-ine, incorporating a new compa y, os Ar-rentwo THE ACT OF PARLIAMENT HOOK-rentwo THE ACT OF PARLIAMENT HOOK-rentwo THE ACT OF PARLIAMENT HOOK-roathton the functions of Derliament was in vala. The British Columbia resolu-tions had committed the House to the project and to a limitation of time. In chort, Sir John A. Michoelal thad fairly angit the House in a trap, and resist-neate on the granted of faith could out be kept with British Columbia. *Files Pretanness*

False Pretences.

But the jeelousy of Parliament was not entirely allayed by this argument. Resort must be had to fraud and misre-presentation. The clause giving Government power to supersede the office and suthority of Parliament, by issuing a charter equivelent in its effect to a Statute passed by the House of Commons, Senate, and Crown combined, was sape cially obnoxious. Sir George E. Cartier, however, explained that the clause was designed to prevent a combina tion of the great companies who ware competing for the contract, [which might place the Government at the meroy of a powerful monopoly. In his very first The speech, when introducing the Caudian Pacific Railway Bill on the 37th April, 1872, Str George E. Cartier said:-"Anothe. contingency presented itself to the Government on counidering the "scheme. Several companies might be incorporated during the present vession "of Parliament, and it might happen that these companies might considered by what means "and they proceed there should be se-"anating proceed there should be se-"atabas in the Bill anthorizing the Gov-"ernment has line, or with a company "the mompany for the construction of "the whole line, or with a company "formed of several companies amalga-"m tod, for review the orginalities." "In tod, for several companies amalga-"the whole line, or with a company "formed of several companies amalga-"m tod, for several companies amalga-"m tod, for several companies amalga-"m tod, for several companies amalga-"the whole line, or with a contacter "un den on Order in Gounci." On the sene cocasion Bir George Cartier speech, when introducing the Cauadian

THE STORY OF T

less ardered by a role of at least mine-tenths of all the ontraineding slock of the Company ef some regular or special sharsholder' meet-ing. "And it is further agreed by the parties bersto that they shall associate themslows together as the Canada Land Improvement of the they shall associate themslows together as the Canada Land Improvement of the the parties of the there-ed for operated by the Parties of the the theorem the the said Land and Improvement Company shall be in the same propertions at their correal sub-origitions to the rail way stoket and and in far and the the said Land and Improvement Company shall be in the same propertions at their correal sub-origitions to the rail way stoket a dorsaid for hullding ary or all of the various sections of the said Canada Paolito Italiany, the major tenthe Umpany that particular stoket or hullding the same tangened that the contracts or hullding stoket and the said the said rail way, daring the partical dia societarity and control company at his the said control of asid railway. "It is als agreed that the contracts of the said Canada Eaolfo Italiany, the reging the same to good stoke same and control of asid railway. "It is als agreed that the first working copiet of the said Canada Land and Im-provement lookes and the thread the Baad control of asid railway. "It is an agreed that the first working commo or profies as shall be the affersaid one more theorem and, here and rainony work, or so unch theread to be paid in on the Bland work, or so unch theread to be a may be see-sary for the successful presention of asid wrk." This was followed, on March 23, 1972, by " supplementary agreements" in the follow.

This was followed, on March 28, 1872, by " enpplementary agreement" in the follow-

This was followed, on March 23, 1872, by e " asplomentary agreement" in the follow-ling texas:-"Wharas it appears that the Canadkan Governnet: profer to give a prose som of money cast a prose amount of land for the construction of the Commod Pacific Katheey and the branch thereof from Fort Garry to Familian of 80. Viscent or the International boundary line in that violative on a the' that for, the anderingand guve to an alter that for, the anderingand guve to an alter that boundary line in that violative to an alter that for, the anderingand guve to an alter that for, the anderingand guve to an alter that for the answer of the international boundary line in that violative to an alter that of collars (35,000,000) in morey (grid) and fify millions of acres of land in amount, to be adouted as proposed, and the money to be paid pro rate proposed, and the money to be paid pro rate proposed, and the money to be paid pro rate proposed, and the money to be had the lacd it he relie of arkeys by hand the lacd it he relie of arkeys by hand the lacd it he relie of our seconds, filt Hingh Allan, it should be desemd expedient in case in the induced to arke south spatial in case in the induced on an south spatial in case in the induced of the second synching. How millions of doilses (160,000,000) and filty millions (160,000,000) and the ladd to the south of the and Chande Pacific Railway, then J. Gregory muth, Gir Hogh Allan, G. W. Modeller, Geo. W. Case, and Wm. B. Quite are here paristik hisk maccessary or advisable we the shift fingh Allan, G. W. Modeller, Geo. W. Case, and Wm. B. Quite are here ments, from time to time, for the senser is all cone and real the orthouse of a set och at the Casesde Facilis Rail my Company, at tay at b the Canada Focific fail may Company, se they chall does reportent. The said assessments are no be considered as part of the one mil-lion dollar agreed to be paid on the stock contracted to be suborthed by us in the agreement of December 23rd, 1871, 804 to he addplot to the same conditions of payment at reducting with interest as are increain

Being a Synopsis of the Facts

into the banking house of Joy Cooks & Ca., in New Tork sity, to the set:: of the Gassian and the interfere members of the Gorstmass, and Pacific Ballery Company, spon is erganisa-tion, to be used for the construction of a state of the Gorstmass, and approve, set if hogs its only a water of pow-trail way, and for each other purposes as the tis in also apreed, that the wine decision of a state of pow-trail way, and for each other paragones as the tis also argreed, that on the organ and the instate apreed that the wine decision approver, and the state of the state of the state of all be outstanding stock of the Company is a some regular or special shores themators is a some regular or special shores themators together as the Ganda Land Improvement due to the paragone of the state of the state of the state of all the outstanding stock of the Company is a some regular or special shores themators is a some regular or special shores themators the present the Ganda Land Improvement due to have of the state the state of a state of all or other meeded object; and the insters of the state and is the state of the state of a state interset. The state wind problem is drawn regular or special shores themators the state of the state of a state of the state of the state of the state of a state of the state of the state of the state of a state of the state of the state of the state of a state of the state of the state of the state of a state of the sta

Legislatura. "This receased to usell that is a short time. I had 27 out of the 25 on whom J could rely; and the sloobers of the ward in this city which Carlier himself represents notified him that nuises the control for the Pacific Bail-road was given in the interests of Lowar Canada he used not present himself for election. He did not bailine this, bat when he came here and met his considerant he found to his surprise that their determination was unchangeable."

per, it was not Your telegram to agreement, which approve of. He on Saturday after his health will b

<text> These telegran firmstory of the

doa't remember www,
it copied.
''Q --I would call your attention to these
two letters now.
''A --I acted these two letters.
''A --I acted these these is a population.

John A. Temporizing. In order to seems the good will of bolts parties, stal versits null the soletions with order to be a subscription of the soletions with the soletion with

mont between drawa. The le was one from Sin Mandonald, to forence in his e ferthcoming bel the lotter ab drawn is preved is still in Allan's value it that he to allow him to a certified copy. two letters, if an too alearly estab of the same terr Sir George uses PANY." "Any

(Signed)

COMPANY . one-"The Gove of the amalgamati he says in the e PANT," the conte anapices. With " rangement was mandto "YOUR

or, if amalgamati PANY" slone, e The Proof

Sir Hagh Allan tan or delivered a that the pay neul

promise to give i and the same bat W. MaMallou en he saye:-

"DEAS MR.

"Data Ma, hoping from day which I could on arrived at respo cegotiation, but always intervene elections, howev my Freech frien halp till I promo-langth brought & thick the game I likely to he attenden if yether and the second

"Yesterday " by which the C form & Company form a Company ing to my wishes make me Presi friends will get a that the contract that the contract be given to this Act of Parliamer fully excluded in it to the Norther in get over that

"This position out large payment ready paid over least \$100,000 m soon know what going to do. The ietter.

(Signed)

And to Gener as wrote as follo "Me G. W. CAM.

"DEAR Si-giving you a det date of the even nection with the l have not had a receipt by you o it reached you in I saked you, ho and I now proce areas of the age

F PACIFIC SCANDAL:

of the Facts of the whole Case.

a two letters.

I supposet

ne two letters, a [suppose] m; I drew them. I liters roughly, know-thers roughly, know-thers roughly, know-to ary with regord to a fair. -bat Kooring s. Sir Hugh called en two letters I had Oartier's offloo, with the stars. referring gw was astafied with the stars. referring gw was astafied with the stars. I had the stars. I will dicks to you a him. He maid, I will dicks to you the stars. I will dick the dick ine which and you has you the stars. I will has pro-I did that ay most int will has pro-I did that ay most I will that you would I will that you I would has yo (Signad)

OI UDE L'ACUS OI UDE A (1) the state of t

Think and gauss that your paying it now "It's to be astended with mooses." "Yesterday we settered into an agreement by which the Government bound thesit form a Company of Canadians coly, scout ing to my robustion at and thesit I and my friends will get a majority of the stock, and that the contrast for building the road will be given to this Company in terms of the Art of Parliament American are to be care-fully excluded in the fact that buy will call to the Northern Pacific. Bit I fanoy we can gat over that scoues way or other. "This negliton has not been attained with-

can gas over that some way or other. "This position has not been stating dwith-ont large payments of money. I have al-ready paid over \$200,000 more to pay. I have al-least \$100,000 more to pay. I mush now soon know what can New York friends are going to do. They did not answer my has letter.

"Yours truly, "HUGH ALLAN."

And to General Cass, on the 7th August, he wrote as follows :--"Mes- "1, 7th August, 1872.

G. W. CAN. 11

mistakeable a overfession, in fact, as the Eng-lish language could formulate. We have, in addition to this, the Minister's own oral adminutone The Chief Culprit's Confession.

Sir John A. Maodonald says in his evi-

dense :--"Aa I have already montioned, when Sir George Cartier wout to Musiceal from Otte-wa and I went to Tornato, I asked him to andesvour to get what pecuaitary help he could from our rich friends in Mostreal; and when I was in Kingston at the time of my awa alcotion, I got a latter from Sir High Alian stating that he would contribute \$25, 600 to the alcotion fund. He used the ex-pression that he would contribute \$25,000 to halp the friends of the Administration is her solvitions. I may say here that I con-sidered myself a trainee to that find, and cortainly did not apply any of that mover to my own election.

"Q.-Have you got that letter!!

"A.-No, I destroyed it.

"It was simply folorming me that he would contribute to that extent.

would contribute to this texts." "I paid the expesses of my awa alcollar; and, in fast I did ast recives any fund from Sir High Allas until after my own election was over. I was alt Toronto the anst In the period during which the elections were being held, going of co-asionally for one place or another to communicate with my friends. I got pocumisty satisfance where I could." "Bir High Allis was there I notif. "Bir High Allis was then in New-foundiand, an I understood, and I wrote twice percentally to Mr. Abbott, whe was acting in Morreal for hin, and twice re-civer contributions to the extent of \$10,000 each.

"Q .-- Were these same both from Mr. Ab-

"A. -I am not sura, but I think so. "Q -That was in addition to the \$25,003, reaking in all \$45,000 ?

"A.-Yes

"A.-Yee "A. Yee "A to the ontribution of \$25,000, it was east to me without my having previously asked for it. I had no communications with Sir Higk Alama, and near sched him ter may one montever at the insufation of the simulation of the second state of the insufation from 50; Hogh Allan that he had subscribed from 50; Hogh Allan that he had subscribed that amount Tat date shore orms of \$10,000 cach area grisse at wy request. I work to \$50 George Corrise in Montraid, with report to these additional advances, that as we had mach a hard fight, he must either borros or beg funds for me, and I have no doubt test he had withen Mr. Abbott to andsevart be had written Mr. Abbott to andsevart be had written Mr. Abbott to andsevart be bit for me if he could."

Langevin's Little Game.

Mr. Langevin's haul was \$32,600. He tells its story as follows :-

If a Langevice houl was \$22,600. He tells if a story a follow:--The only time I had a conversition on abco-tion matters with bit. Abbots was, I believe, come time during the comes to my depart-ment, to ness me about some matter connoted with a phile work in his contry. I proke to him, as being one of my best political friends from my own Province, on the prospects of the alsotoral context that was to take place during the ammer. I told him that the last context had been a severe one for ma, is so that alsotoral context that was to take place that the claims or when we concored, and that, of course, my political being more pro-minees now than it was to take place thill greater, and on this being more pro-minees now than it was concored, and that do course, my political boing more pro-times now than it was concored, and that he claims or calls upon me would 2 will greater, and on this between would all will one any estimiters, but that cortainly it had the ablord by my friends. That is the only oneversation I ores had with Mr. Ab-bott on this subject and, or cortas his is one of those conversions I could have had with Mr. Abott on the subject and, or cortas his is no ef those conversions I could have had with any other political friend angeporting me in Parliaments or supporting me onto of Parlia-ment, and I may eight that Mr. Abots never upoke to me about the Pacibo Railway, or the bills that were blore the House, and he avere then before the House, and he avere the motion the House, and he are the of the poor eventue. I and with Birl Goorge Carlier, by the hunde of Sir Hugh Alace, \$10,000, he (4tr Hangh) eating

Sir George requested me to send a further macons to Sir John A. Macdonald al Sir George Status of the Central Committee of Handrack Market Sir John A. Macdonald Mines John

REPAYMENT OF THESE SUMS. "I left Montral for NewTounGhad I think early in Aggust, and naly returned at the end of the mosth; and except by infr-quent telegrams I had no communication with Mostral daring that tima. Among those telegrams I had ive from Mr. Abbott informing me that Sir Gorge wasted 200,000 more for the Gameral Committee, and \$10,-000 for Nir John. I asthorized Mr. Abbott bey at his dirocal.

ury as an GIBOSS. "I think I also received telegrams from Mr. Abbots telling ms that Mr. Langevin would sign no receipt, and asking my author-ity to hand him the money without any re-ceipt.

oupt. "This last telegram did not reach me in time to be acted upon, and I have since insmed from Mr. Abbott thas Mr. Langavin gave no receipt "I haard of Sir Gorge's d.fast while in Nors Sootia on my way back. In this way on my return I found that the limit of pay-means which I had first agreed to had been exceeded, and with subsequent advances they finally stood as follows:-

"To Sir Gourge ", Cartier's Com-

\$162,600

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

The following were some of the sammual eations which passed, in Allan's absence, be-tween Macdonald and Cartier and Abbett: --On the 24th of August Sir George E. Car-

tier writes thus to Mr. Abbott ;--

"In the share what what Abdom-"In the share we are about the form of the contra-bo ahiged by your supplying the Contral thousand dollars, upon the same conditions as the amount writhen by me at the foot of my letter to Sir Hugh Allan of the 30th allamo. "(Gnome E Church

"P 8, Please also send fir John A. Mas-donaid ten thousand dollars more on the same terms."

The Central Committee, in a manner tue net methodical and business-like, return a formal reasint as follows

Iornal receipt as follows:--"Received from Bir Hingh Allam, by the hands of Mr. Abboth, swenity thousand doi-lars for general soloking purpores, to be ar-ranged hereafter, scoording to the serms of the letter of Sir George E. Cartier, of the date 30th of July, and in accordance with the request contained in this letter of the 54th

"MONTARAL, 26th Angust, 1872. (Signed) "J. L. BRAUDRY. HRNRY STARNES. "L BRTOURNAY. "P. S. MDRCHY."

Mr. Starnee was the custodian of the cele

brated "sealed packet;" Mr. Beandry was one of the thirteen Pacific "directors;" Mr.

not be resisted, and t as documents in queetion, telling the whole story of Allan's dis-g-weful intrignes, were impounded accorr ingly. When altimately published, the oause of Sir John A. Maodenald's slarm of the production of copies in the flouse was the producting of copies in the liouse was coning been shrows. Its atterwarms mad be similit to the Commission that these way documents had been placed in his hands by Mr. O. W. McMailen BEFIORE he had family given Allan the con-tent of the Date of the control of the Pacific Charter. It was so alearly evident that the sation of the Committee might be greatly impeded, if not thwarted altogether, should the House aut be in eresion whan the investigation was proceeding, that on the 16th of May Mr. Loriss moved as follows :--

at follows :--"That insmuch as the Committee will have no power either to solves the attend-acc of wilnesses, or to compet them when in attendance to give setting, willout the action of the House, it is seential to the pro-per conducted the investigation that is should be presecuted under circumstances that will admit of the prompt exorole of the asthouty of the House, and that it is therefore neces-ary the House should als on the day to which the Committee has leave to adjearn." De different to the new this was also host

By 66 yeas to 101 mays this was also lost. Utimately the Honse, on the 23rd of May, adjourned to the 13th of August, then to receive the report of the Committ

The Disallowance Trick,

On the 2od of July the Committee met at Montreal. A great crowd had assembled in the Court House to watch the proceedings. Once more Sir Francis Hinoks was called to the stand. But not to testify. The Chair-man instead announced that the Oaths to Witnesses Bill had been disallowed, nuder the advice of the Imperial Law Officers. Meenrs. Dorion and Blake argued that as the taking of evidence on each was no part of their origi-nal instructions, but anly a provision pre-sumably contingent upon the Oaths Bill beauthory buildings and the outhout the outhout the ing valid, they should proceed without the oath. But the three Ministerial partians were not to be expected to haffe thus the desp-laid plot of their chief, and earried a motion to report the state of affairs to the House at its meeting again on the 13th of August.

That the disallowance of the Oatha Bill was deliberately davised cannot be doubted. The neual practice is for the statutes passed during the session to be printed, bound, and sent home officially certified, perhaps three or four months after the House has risen; and ali Acts, unless specially reserved, have the full force of law if not disallewed within two years. So that, but for Sie Jnc. A. Macdonald's action, the Gathe Bill Inc. A. Macdonaid's action, the Gathe Bill would have been in full operation, and any one committing perjury would have been liable to suffer all the penalise. But, assem-ing that the double appressed by Sur John A. Macdonaid were well founded, but that he had desired to have all double encored or englation obtained to supply the defect in the Confederation Act which was alleged to proven the House of Commons passing such a Sill. We have seen that it was introduced on the 18th of April, and there was nothing to provest the as very one perimony. I com becoming is we set the 20th or, as that day was Sinday, the perimony in the house milds to fungland, there would have been time before the forms rose on the 25th of the Cover, and it that were universantly the defect in the British Morth America Act. But Parliament be super do separate, and it was so cont be known of the similores on the Suprime and betwee allowed to separate and it was so con-the finish morth America Act. But Parliament be shown of the similores on the work of badfing the course of justice. *Disclosures.* would have been in full operation, and any

Disclosures.

The publication of Sir Hugh Allan's latters, of Mr. McMullen's statement, and of the tele-grame, desits, and other documents which had passed between the Ministers and Sir Hugh or Mr. Abbott, followed. The most sceptical could not now fail to be convinced; the indignation of the country was fairly aroused; and this feeling was intensified by the announcement that the inoriminated Ministers would advise Lord Dufferin to prorogue Parliament on the 13th of August, without allowing it to discuss the situation, and issue a Royal Commission to supervede the eaint-

"GRONGE E. CARTLER. argenoy.

In the Sonate it lingered. Mr. Campbell, the Government leader, at first professed that it was none of his husiness, but at length he moved its second reading. The Sill had been introduced into mmous on the 18th of April, was the O printed, distributed amongst members, and passed through all its stages and sent up to the Senate on the 21st. But it was the 29th, or eight days afterwards, before the Senate in-

formed the Lower Chamber that "their ing Parliamentary Committee. Hanours had agreed to the P¹¹" Nothing Parliament Turned Out of now was needed but the Roya Assent, But

The Conspiracy of Delay.

denos this fast is deposed to as follows :--'The cirsumstance was simply this .-Mr. Cameros told use -we ser very great friends -that ha was very hard sp, and that he wasted access mony and was surfous to get a discount, and ke asked mr i found drops into the first of the Merchanis Bank. I worde down asking Sir Hugh is use kis in-fluence to get a discount for Mr. Comeron for \$5,000, and the oot that discount. That is all I know about it. Thak was in sanary, be-fore this I noveligation the Government re-sporting the Foild Ballway nutil April, and usch an idea as the share being made or tho committee being atrock, had vertailly not commet on the 23rd January, 1513."

negotiations were panding by Sir John A. Macdonald. In Sir John A. Macdonald's evi-

dence this fast is deposed to as follows :-

The nate was renewed effor Mr. Cameron had accepted the Chair-manship of the Committee.

The Oaths Bill.

During the discussion arising out of the ap-pointment of the Committee, it was suggested by Hon, Mr. Dorion that power should be by Hos. Mr. Dornes that power should be given them by Bit to that she wridence un-der oath. The proposal met the unusimous appressal of the House. The fact that, is 1863, a similar Bit had given precisely the same powers to the Seman, and that the Legialacare of Ontario had since passed an Act without dispute or question conferring on its Committees the same privileges, prevented a suspiolon crossing the minds of members that any obstacle to the measure now preposed could possibly be raised. Sir Jno. A. Macdonald alone enggested a difficulty. He held that, in the terms of the Confederation Act, the Parliament of Canada had not an-thority to pass the measure. His views were snorty to past ins masters. All view wole controversed by Mr. Hillyard Cameron-who, at the instance of the Committee, introduced the Bill-and by other leading lawyers. Sir Jno. A. Maodonald, therefore, yielded his ubjection for the moment, and the Commone passed the Bill with the haste needed in a matter of grave

"may be given to a question of such magnitude and importance to the people This was defeated " of the Dominion." by the narrow majority of ten the numbers boing, Yeas Nays 85. And this result was votes. 75. only gained by an assurance privately conveyed to Ministerial members, and af-terwards embodied in a formal resolution, that the subdidy gratuled "should not in: "erease the present rate of tazation."

Secret Motives.

The reckless and lavish agreement en tered into, UNASKED, by the Government of Canada was at the time inexplicable but future events served to solve the mystery. In 1867 the Hon. Wm. McDon. gall, then a member of Sir John A. Mac donald's Government, publicly bossted that the Intercolonial Railway-less than 500 miles in length-would give the Min-Istry "A TEN YEARS' LEASE OF POWER;" and the only possible interpretation of the conduct of the same Administration in forcing down the throats of their own supporters a bargain no one had asked them to make, was to be found in a renewed determination to repea with the Canadian Pacific, and on a more gigantic scale, the experiment partially successful in the case of the Intercolonial.

Sir John A. Macdonald had only been able to hold office in 1867 by "size crim and by the disruption of the Liberal party caused by the second on of some of their lead ers to the ranks of the enemy. The violations of the Constitution in the case o Nova Scotie; the gross bungling, amount-ing as nearly as possible to treason, in the acquisition of the North-west Torritories; triffing with grave public interests in the matter of the "National policy;" a series of outrages on the Indeper sence of series of outrages on the Indeper Jones of Parliamoni; the contracts incr are in the expenditure, and a growing ucroeption of the character of the jug(a) in which the '67 Coalition had originated, all thresten-ed daoger to the Gurormant, when, in 1873, an appeal should have to be made to the scountry. At that bling, too, the Premior was at Wachington, secretly be-traying the interested Canada to a foreign mation, and well know what a storm of

traying the intercetaol Canada to a foreign matica, and well know what a storm of indignation his conduct yould excite when that transaction should except to light. The local slections in Out and the storm in a roversal, to a great strent, of the vote of 1807, and the "Catent Combination," as initiation of the Coalition at Ottway, was already doomed. Ontario threatened a hostile and independent majority in the Honse of Commons, in place of a servic uninority; Quebec was its disentangling hereiolf from Cartier's domination, and the Maritime Pravinces were held by too un-Maritime Provinces were held by too un-certain a tenure to be rolied upon. Thus it was that, watching his opportunity, So John A. Macdouald, in the specious form it was that, watching his opportunity John A. Macdouald, in the specious of terms of union with British Colur lumbia obtained possession of the huge bride with which he was to procure for himself or his party, it might be, a ten, or twenty, or thirty years' lease of power.

But it was necessary to his purpose that But it was necessary to his purpose that his control over the railway, with all its advantages and accessories, should be aboute. Ho, and he alono, must have the onitro disposal of its fat contracts and the enormous patronage such an enter-prise involved. The piedge to build tho railway within a limited time, rashly agreed to by Parliament, gave him the plausible oxuse for insisting on being vested with the most extraordinary power, oscionality for the fulliment of the terms is the time and manner agreed upon.

The Usurpation Act. 11

This measure, introduced in the session of 1872 to give affect to the torms of union so far as the railway was concerned, was of a character unparalleled in the history of responsible government. It handed over everything to the hands of the Governor in Council-in other words, the Prime Minister. It empowered him to raise a loan of 30,000,000 of dollars as a money subsidy for the road. It author-ized him to appropriate one hundred mil-lions of acres of the public lands, allotting incre of acres of the public kinds, allotting one moisty to the constructing cam-pany, and relating the other moisty to be disposed of in soch a manner as might be agreed upon between the Government and the Company. It enabled him to give to whomsoever he pleased the contract to

"pretime a concerned users of the highed dama-"ing and influence. They had, however, ap-pited for Acts of 1 accorration instead of "to the Government, and these applications "mailed or data of the Reilway Com-"mittee." Again, on the 23od of May, 1672 Bir Goorge C Darlier, conse more allading to the same topic, said..." There were now re-"mittee." Again, on the 23od of May, 1672 "The policy of the Government would be to "panen, why of the Sourcement would be to "panen, why but the sourcement would be to "panen, why but the sourcement would be to "panen, why, but the sourcement would be to "panen, why, but the sourcement would be to "panen, why, but the sourcement would be to "parent of the Sourcement would be the "sourcement." The Other source of all these Com-"maint appears to b houses of a source "good and be comparent of botto." The "would be ready working to are mplich the terme end. The Other had been adopted "the to an the Government being placed at the presence of his colleagues, to this mold be a the prime Minister himself, all conveyd or were source to be assee which enabled them to carry out thair design of ignoring compet-tion. And so they induced the Elease to carry out thair design of ignoring a compute the mainteer, and creating a monputy for the mainteer, and creating a monputy for the mainteer is of the source of the source of the mainteer source of the source of the source of the mainteer and contains a monputy for the mainteer and contains to the Marker with a cost bases which a lease a different with a design with a cost bases which and head there a design with a cost bases source a monputy for the mainteer is a cost of the source of

The Americans Appear on The Scene.

For the grand act of corruption they had long been preparing. The terms of union with British Columbia were agreed to in the early part of 1871. In July of that year, certain American guntlemen, who were also promoters of or interested in the Northern Pacific Itailway, a rival line, visited Ottawa, and made proposals touching the construction of the Pacific Railway. They saw Sir Fran-ois Hinoke and Sir John A. Macdonald. No definite oncoursgement was given to them at the time, but they left, in the hands of the Ministers, a list of capitalists in the United States willing to co-operate in this scheme. Amongst them were General Case, Mr. Scott, of Philadelphia, Mr. O. A. Smith, and Mr. G. W. Modallen, of Chicago. These gentiemen proposed to open communi-cations with Sir Hang Allan, but were discour-oged by Sir Francis 2 linck from toking theo-verde communicated himself with Sir Hang Al-lon, and gave Sir Hangh the names of the Americana shows referred to. He alse west to Now York, and andsaroared to indues cer-tain of the parties resident there to join in the enterprise. Sir Hugh Allan entered into corresportences with them in October, 1871, where they had an intervise with the full Gabinet, but without any result. It was then aviden, however, that Sir George E. Cartier looked with disfavour on Sir Hugh bains in futures in a these owing to Sir Hugh baing the premoter of other railrays in competition with the Grand Trut. cheme. Amongst them were General Case, Allah s nutsees us the instead wwild con-lingb being the promoter of other railways in competition with the Greard Truth, of which line Sir George E. Car't was collector. This has to be borned in mich in connection with whit occurred site-wards. The issue of the acgoitations b-tereon Sir Heigh Allan and his American con-

federates was an agreement in wr'ing on the 23rd of December, 1871, of which the follow is an extract :-"New YORK, Dec. 23rd, 1871.

"The undersigned hereby agree to associate themselves together for the following pur-poses, to wit: "First-To form the Cauada Paoifio Rail-

"Scowl-Under and by anthority of said charter, the undersigned propose to construct the said railway. For these purposes, we for the others, agree to enbarribe, in all, the sum of ten millions of dollars to the cspital stoch of the said Canada Pacific Railway

stoch of the said Ganada Pacific Ruilway Company. Yang and such others as they may associate with hims shall subarrise fore millions five hundred thousand dollars (\$3,000,000), and in Fugh Allan, Obarles M. Smith, and George W. Molfe Usa, and such others as they may saconist. with them, shall sub-soribe four millions five hundred thousand dollars (\$1,50,000). And it is farther agreed that the above named parties who shall sub-soribe four millions five hundred thousand dollars of esid soot, shall pay in the sam of dollars of stock to be subarribed as aloresaid.

he subject to the same conditions of payment and refunding with interest as are therein ask forth.

ast forth. "And we hereby authorize the said Com mittee to take such other action for us a they may deem necessary in the premise consistent with the general terms of the con tract of Desember 23, 1871, and se monifier hereby.

" New Yosw, March 23th, 1872.

"New Yoar, March 23th, 1672. "(Signed) Jay Cooke & Co., J. Gregory Staith, B. P. Ohoney for esit and W. J. Pargo, R. D. Rice, Thot. H. Ganfield, A. H. Barney, O. W. Oase, Daniel Molaren, by J. W. Zills, Frederick Billinge, Wm. Windows, H. E. Payron, F. E. Canda, O. J. Canda, Ramuel Wilkison, W. B. Ogden, Walter Hinohman, Hagh Allas, Charles Mather Smith, George W. MoMulles."

It will be noticed, in answer to the preter the Government that they were ignoran or use covernment time that they were ignoratin of Allan's negotisitions, that the precise terms as to the Land and money nabeldy em-bodied in the Panifo Rail way Act are those anned in the showe document, which had olessly resulted from solval negotiations be-turne the subtle above mound on the the tween the parties above named and the Go ernment of Canada.

The Competitors

In the session of 1872 two companies applie oreigners were, however, omitted 'rom the Canada Pacific Bill, and both that Bill and the "Inter Oceanio" Bill were ostensibly promoted by Canadians of standing and capital from various parts of the Dominion. Bi George E. Cartier's speechas, before quoted Bis were designed to convey the impression that the Government favoured competition, and desired only to guard against the amalgama tion of these two great organizations, which might result in a too powerfai menopoly. No obstraction was therefore offered to Allan resident wat therefore burden to solution of the Bills. However, Sir Hugh Allan resident from this American friends the norostary for engineering his scheme through the Legislature. The actual ex-penses were not more than from two to three hundred dollars.

The Plotters at Work.

Immediately after the Government Cana dian Pacific Railway Bill with its extraordi nary powers was passed, and Farliament had dispersed, Bir John A. Macdonald began to turn its provisions to account. The Ministry fall their position to be extremly oritical. If was of the last importance that no misunderstanding should occur between the Government and Mr. Maopherson, an the coveriment and art, mapperture, and old, tried, and wealthy supporter. It was also important to conciliate Sir Hugh Allan, who had been eagerly pressing for the coa-tract, and who was already sudangering tho salety of Sir George E. Cartier's seat in Monreal, hy assumiog towards Sir George an attitude of hostility. In Bie John A. Mac-donald's evidence before the Commission he says, on this point :-

doald's widness block the Commission he says, on this point :-"I had regretized to find that there had been acted of cooler between Sir Hagh Al-lan but between Sir George and his Loger Constinctions. They had got the idea that Sir George wan not so Iriendly as ho constitutions. They had got the idea that Sir George wan not so Iriendly as ho const to have been to the North 2 Coloniza-tion Road, in which a large nur ... of Lower Canadiane took great inherest, especially the Montrealers, and of which Sir Hogh Allan was Presideest, and that in fact, they had got the impression that Fir George Cartier was introving sold vater on all those enterprised this of course, nuless it was removed, would be fait lost George Cartier, and in Lower Canadias would lose his Parliamentary support, and, of course, lose the Gavernment Eastia-mentary support. The idea had been indu-tional y presend abroad that Sir George, as being the solicitor or coursed of the Grand, the preside abroad that Tailway. This was so much the case, that agood due of feet courtier's appreside course of action and that a deputation. had come to Ottawa to correst upon him, so far as they could, the ne-cessity of thing an active interest in the overther Ottavarian Road and other rail-way, extending the Pacific Red and ther rail-way, extending the Northern ColorMation ding the Northern Colon stinning the Pacific Railway, and that Northern Colonization Road and out ways, extending the Northern Colo west, including the Paoifo Railway, a the Montreal interest, as represente Hugh Allan, should not be ignored."

Sir Hugh Operating on Cartier tier. Writing on July 1st, 1872, to General Cass, he save :--

It if way, also to come to Toronto and discuss the may are the Tr. Miran imposition for him to come up, hot that Mr. Abbot might Mr. Abbot did come up, and aw Mr. Mac-phoron, and yon will find in the svidence two hy Mr. Macphanon a memorandm I the subtance of the conference between these two gentlemes. That memorandm I heliore to be subtantially seared from the information that I had from both of the gentlemen who abled it. "I lief Toronto to go to Kingston to at-tant he my own election, impressed with abo-dies that there were no imporable difficul-tes in the way of analganation. "They the annorable year maily and

" They had approached very nearly each other. There were only two points of differ ence. The one was the question of the Presi dancy, and the other was the number of Di rectors.

theory, and the true the final of the first of the first

Mr. Maopherson, in his evidence, caye:-Mr. Macpherson, is his sridence, esys:-"The only matter at all personal to Sir Hugh Allan and mwelf was the question of the Fraidency. Mr. Abbots winhed that I would consent its the office being filled by Sir Hugh Allan. Isold him it would not an eart to it in advance, but I ast a pao allos to the office myelic of the Directory if senalty to the senalty of the senalty.

The Ministers had taken care, too, that no inconvenient provisions of the election law should thwart their designs, and had resisted etrenuously and successfully proposais to hold the elections in one day, and to transfer to the jadgas the duty of trying election petitions-two of the most effectaal preventatives against electoral corruption.

The Crisis Approaching.

Mattere were now approaching a orisis The write had been issued on the 15th and the first election took place on the 21th of July. Sir John A. Mardunald thus describe the situation :--

boy. She bold it was achieved the electronic in When Sir George Carlier and I parted in Ottars, he is go to Montreal and I ta go to Coronto, of course, as leading members of the Government, we were anxions for the encourse of our Parliamentary supporters at the electrona, and I said to Bir George shat the electrona, and I said to Bir George shat the electrona, and I and to Bir George shat the electrona and I and to Bir George shat the electrona do our firedad, at the polls. I see to a sand to our fordad, at the polls. I see to the set to be the set of the set set of the set the set of the Ontario,

John A Approaches Allan.

The means by which a complete .econciliation was nitimately effected between Sir George E. Cartier and Sir Hugh Allan was a telegram sent by Sir John A. Macdonald to Cartier on July 26th, 1872, in the following terms :--

"Have seen Macpherson. He has no personal ambition, but cannot, in justice to Ontaric, concede any preference to Quebee in the matter of the Presidency, or in any other particular. He easy the question about the Presidency should be left to the Board Under these circumstances, I authorize you to caure Alian that the influence of the Geerra-m. twill be exercised to secure him the position of *i resident*. The other terms to be as greed on between Macpherson and Abbott. The whole matter to be kpd quiet until after the elections. Then the two gosticann to most the Privy Connul at Ottawa and setti the torms of a provisional agreement. This is the only practical solution of the difficul-ity, and should be accepted at once by Al-tan." taric, concede any preference to Quebeo in

The Final Bargain,

On the 29th of July Sir Hugh Allan received a message from Cartier asking him (Alian) to call on the following day. Sir Hagh accordingly went, accompanied by Mr. Abbott, his confidential adviser and solici-Sir Hugh Allan, in the correspondence he Abbott, his confidential adviser and solici-patin as part of his sworz testimory, is tor, and also a member of Parliamest. Mr. "Abbott, his even reidance hefore the Commission, tellethe story of this memorable interview:

the two letters which Sir Hugh has pro-faced this moreling. I find that my rear-lection differs I He, but wit missionly, from that of Sir Hugh J think that the terms of the first letter, referring to the rall-way, were agreed to, but that it was not written or signed at the Grief interriew; that is, we were leaving, and, after the terms had been agreed to. Sir George spoke to him about the mosey in the manner in which Sir High Allae has indicated, act that in the afternoon the two letters reformed.

The following are the two letters referred to by Mr. Abbotti-"Private and Confidential.

"Data Sim Hoom, - The friends of the Government will expect to be assisted with funds is the pending alectione; and any amount which yon, or your Company, shall advance for that purpose, shall be recouped to you.

A memorandam of immediate require

"Very traly yours, (Gigued) "GEO. E. CARTIER, "Sir Hugh Allan,

	siz weeks from this
Sir Hugh Allan.	"Oor opponente
	the stock, and the
" NOW WANTED.	defeat, and on that
r John A. Macdonald \$25,000	is oh iged to stipule
on. Mr. Langevin 15,000 r G. E C	appear as a shareho
ir J. A. (add'l) 10.000	orn Pacific, and su
Ion. Mr. Langevin (add'l) 10.000	9806. The shares !
r G. E. O \$0,000	in my name for som
"MONTBRAL, 30th July, 1872,	HITT

"MONTREAL, 30th July, 1872. "We shall get \$

"I again ask you to take the reduced

"As is my daty.

this month, I don't finish it, but I hope

(Bigned)

a the arrangements

"Your represe Cartiar, coincides t and in the basis o has agreed to recom the Ministry on th tion, they have be "I think no

I think no ting the contract pre-us the Gacernment reason to be satisfied done, and I believ proved by all."

And finally, on t

wrote as follows :-

" Mo:

(Signed)

Q. W. McMUALE

Sir Hogh had ole

own experience the pressed to his corr

Fabraary :-" I th

blind in the matter i

already paid \$8,50

553 Washing

rtions a

previonely.

"MONTREAL, 20th July, 1672, "Data Six Honi, --I enoloss yon copies ef telegrams from Sir Juhn A. Macdonaid, and rik reference to their contents I would ary that im yopinon the Governor in Concell will approve of the amaiganation of year Company with the Inter-Govanio Com-pany, nuder the name of the Chandian Pa-oido Bailway Company, the Provincial Board of the amaigamased Company to be composed of seventeen members, of whom four shall be anned from the Travince of Quebe by from the Province of Macho by the Inter-Oscanic Bailway Company, and the remain-der by the Government; the smalgamated Company to have the powers specified in the Canada Pacific Company, and the agreement of amaigamasin to be seconted hereon this date the Government; the sangamated Company to have the one the Anthean the Company and the agreement the Gasafa Pacific Company might take the initiative in proorting the annigamation and if the Inter-Cosano Company might take the initiative in proorting the annigamation of the Arter Consult Factor on the Government; the sangamate the star-tisher the Consult Factor Company might take the initiative in proorting the annigamation and if the Inter-Cosano Company might take the initiative in proorting the annigamation and the there consult for an agreement should be made with the Canada Facific Company under time during the annigamation and the starter. "As is my dnty, replanty desirons to on the amounts will deposited in the has accurity, but will be accurate, but will be accurate, but will be accurate and accurate and accurate and accurate point have been very paid away about \$25,000 this month. I don't finish it but I have

"Of conrecting the the subvaribers of t you elect to go on will visit New York moth to settle the reply as early as co "I am, yo On the ninth of addressing the als thus, after alludi shears, and the is

be made with the Cacada Pacific Company under its abarter. ""Don'the subscription and payment on so-count of shoch being made, as required by the Act of Last session respecting the Casadlass" Pacific Bailway, I hare no don't hot that the Gorsersor to Consell will agree with the Compasy for the construction and working of Lie Casadlass will agree with the branchus as whill be agreed upon, and will grant to the Company all such subsidies and ser_tances as they are empowered to do by the Gorsernment Act. I believe all the ad-heartages which the Government Act can powers the Government to confer upon any company will be required to enable the works - plated to he successfull car-ried thr. agr. and I am convinced that they will be accorded to the Canada Pacific Company, as the case may be. "I would add that as I approve of the

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

"Very truly yours,

"DEAN MR. M this time to have a of what our friend do, hut to-day I he (Signed) "GEO. E. CARTIER." Case stating that h for Chicago, ther and the two are They say no meetin November, which y Sir John A. Maodonald has alleged that on receiving intelligence of these transaclons, he at once telegraphed repudiating the letter referring to the railway, and even effered, if necessary, to leave his own elec-tion to go to Montreal and settle matters. He put in as evidence the two following telegrams, received from Cartier and Allan reepectively :-

November, which u 'I hope in ten di tract signed, and after to go to Eagle build the lice. I h gold which I want till to pay \$13,500 thing off. 'I will go to Net tract is signed, as would he glad tom "KINGSTON, 31st July, 1672. "(By Telegraph from Montreal.) To Sta John A. MacDonald :

"Have seen Sir Hugh. He withdraws let ber written sou since you mrks objection to it, and relies for hasis of arrangement on your telegram to me of which I gave him copy.

"Matters go on well here. Hope they arm same with you. Don't think it is necessary for you to come down here Saturday. I want to be ont of town on Sanday, but will remain here if you specially desire to see me. Anl We "G. E. CARTIER." (Signed)

"KINASTON, July 31, 1872. "(By Telegraph from Montreal.) "To Sig John A. MACDONALD :

bearing upon the with the most ohe "I have seen Sir Gee. Cartier te-day. You may return my letter or regard it as waste pe-

and cannot get one. We have thus tory of the whole p

and i now procee gross of the negot

"The policy I ad ossial. The stron ossided in obtaining coatrol the sleath Government realise ware unwilling to they opened neroti

"It is unnecessar phases through whi sult is that we yest ment by which, on CONDITIONS, the

CONDITIONS, the party, of which i ar my view, to give n jority of the stock, so formel the contr the terms of the A are \$30,000 in area of laud, with privilegee which as Ackaud thay agree dering the whole the final contrast i tic weeks from this "MONTREAL, 30th July, 1872.

(i) Hugh has pro-find that may reach at not materially, I think that the elering to the rull-is that it was not instituterise, that after the terms had orgs spoke to him anoner in which Sir is anoner in which Sir d, and that in the ware signed." is o is there refarred

,30th July, 1872. The friends of the to be assisted with elautions; and any ur Company, shall shall be recouped

ediate regulrament . E. CARTIER.

NYED.

\$25,000 15,000 20,000 10,000 d'1) 10,000 30,000

80th July, 1872. Soth Joly, 1872, I enclose yon copies of n.A. Macdonald, it contests I woold a the Governor in the amalgamation of Inter-Ouesnic Com-f the Canadias Pa-Inter-Ouesnic Com-f the Canadias Pa-the Provincis Board any to be composed in whom four shall vince of Qaebee by ray Coungary, foar starlo by the Inter-rers apecific in the starlo by the Inter-rers apecific in the starlo by the Inter-tors apecific in the starlo between the and the agreement aonthe from this date and the agreement outhe from this date outhe from the date outhe outhe

and payment on ac-

1 approve of the referred in this set endeavoura to fleck.

E. CARTIER."

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ld has alleged that

hed repudiating the

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ave his awn elec

rtier and Allan re

31at July, 1872,

m Montreal.)

acttle matters.

a merson presne, suit therefore Acte to Mark is my name for some time. "I again sake you it the parties are willing to the whole capital of \$10,000,000. "I again sake you it the parties are willing to take the reduced amount of stock in the same proportions as the amounts algored for previously. "As is mer disty, I offer it to you, but there treplesty desirous to get it. The por cost on to a samounts will have to be paid or paid deposited in the hands of the Govarnmeet as security, but will be returned, I think, as soon as the work is fully begon. The co-pends incured is Aringing the mitter to the point dave been every grout. I have the to the paid actory doub \$200,000, there the cost of the mouth. I then't know that even that will finish t, but I have that even that will finish t, but I have that even that will finish t, but I have so. "Of course this will all have to come from

amaigamation upon 10h limited time, I rrangemente should da Pacific Company reply as early as convenient.

(Signed) "HUGH ALLAN." On the ninth of August, Sir Hugh Allan addressing the shouters of Montreal, spoku thus, after allading to the Government address, and the interest of Lower Causda

and payment on so-na arcquired by the sting the Canadias-ting the Canadias-will agree with the still and the solution much archites and movered to do by believe all the sdi-believe all the sdi-be ancoastically car-nevinced that they meany to be formed he Canada Pacific ay be. a the arrangements.--"Yoor representative, Sir Oscorg E. Cartier, coincides work we can all these points, and in the basis of arrangements which he has agreed to recommond to his conference in the Ministry on the Pacific Railroad quer-tion, they have been carefully kept in view. "I this no time should be had in got-ing the contract prepared and signed as soon at the Governow an ames. I have every mason to be satisfied with what Sir George has done, and I baisre the recent will be ap-proved by al."

wrote as follows ;--

up, DUE TO-LAY 1 DAYS & IGHER ITOM (GONDRAL Case stating that he is leaving New York for Chicago, there to join Mr. Ogden, and the two are going to Fuget Sound. They say no meeting can be lield till 15th Norember, which will not do at all.

r orember, which will not do at all. 'T hope in ten days or so to nave the con-tract signed, and would like immediably alter to go to Ecgland to raise the money to bild the line. I have dishured \$313,000 in gold which I want to got repaid. I have still to pay \$13,500, which will close every-thing oft. the two following

NALD : He withdraws let-nrke objection to it, rrangement on your I gave him copy.

re. Hope they are Saturday. I want ay, but will remain a to ace me. An-

E. OARTIER " s, July 31, 1872. m Montreal.) NALD :

lartier to-day. You rard it as waste pa-

and I now proceed to inform you of the pro-grees of the negotiation along the date of my later. "The policy I adopted has been quite suc-cessical. The strong Franch influence I ano-sended in obtaining, has proved a still ion to control the alsoitour; and as soon as the Goraroment realised this fact, which they were nurvilling to admit and slow to see, they opened nerotiations with me.

ware movilling to admit and slow to see, thay opnand escotiations with me. "It is unnecessary to detail the various phases through which it presed, but the re-nult is that we ysterday signed an agree-ment by which no CBILTAIN MONETAEY ONDITIONS, they agree to form the Com-pany, of which I am to be President, to enit any view, to give me and my friends a ma-pinty of the stock, and to give the Company so formel the contract to build the read, on the terms of the Add of Parliament, which are 30,000,000 in each, and 50 millions are so fland, with all other adventages and phased then agree to do screpthing in the the present and the source of a screen the inter-pret of the source of a screen the within a screen of and agrees to do screpthing in their present or concarge and mains the Company during the whole period of construction. The final contracts in the accounted within a weeks from this date-probably econer. " Our opponents are to get the minority of the stock, and they in operate no for the former or your sources the monority of the stock, and asseembing to foreign infa-torner or yo ealing ourselves to the North-ene. The akares takes by you and our other American friends, will therefore to the North-ter pesing, and asseembing to foreign infa-torner or your commit are to the North-ene. The akares takes by you and our other American friends, will therefore to the North-American for some time of the whole needed will therefore the stock out of the whole needed will the ON 0000.

Anish 4, but I hope so. "Of course this will all have to come from the auborithers of the \$41,000,000 stock. If you eleot to go on with the subscription, I will visit New York about the end of this month to actual the details with you. Please " I am, yours faithfully,

a the arrengements:--

And finally, on the 14th of September, he

"MONTREAL, 16 Sept., 1872.

thing off. "I will go to New York as soon as the con-tract is signed, say about 7th Outober, and would be glied tomeet you there at that time. "Yours traly, (Signed) "HUGH ALLAN.

"G. W. MCMUMLAN, Esq., "553 Washington St , Chicago, Illa."

Sir Hagh had clearly been realising in his own experience the expectation he had oxpressed to his correspondents on the 28th of Fobraary :- "I think you will have to go it blind in the matter of cash payments, I have already paid \$3,500, and have not a voucher and cannot art one."

We have thus documentary evidences bearing upon the face of it, and detailing with the most charming frankness, the his-tory of the whole proceeding; as plain and unone of the thirteen Pacula "directors;" Mr. Bebouroey is now a Jadge et the Province of Manitoba.

But Sir John A. Macdonald was no out-done b/ his colleague. On the 26th of Angust havelegraphed from Toronte to Mr. Abbott, as follows :-" Immediate-private.

" I must have another ten thonsaud-will be the last time of calling. Do not fail me answer to-day.

"JORN A. MACDONALD," The \$10,000 sent at Sir George E. Cartier' instigation had not, it saems, furnished over two day's supplies at that oritical moment Mr. Abbott premptly responded :-

"MONTREAL, Aug. 26, 1872. "Sir John A. Macdonald, Toronto :--

"Draw on me for ten thousand.

"J. J. O. Assorr."

And Sir John A. Macdonald obtained hi \$10,000 by draft on the Marchaute' Bank, of which Sir Hogh Allan is President, and he a a copy of it :--

" Tonoure, 26th August, 1872. "At eight pay to my order, at the Mor-shants' Bank, the same of ten thousand dol-lars for value received.

"JOHN A. MACDOWALD Endorsed :---

" Pay to the order of the Merchants' Bank of Canada.

"JORN A. MACBORALD."

The Impeachment.

Shortly after the meeting of Parliamant n March, 1873, the fact of a corrupt unde standing having been arrived at between Sir John A. Macdonald and Sir Hugh Allan, same to the knowledge of the Hon. L. S. a Hatington, the member for Shefford. Os the 2nd of April Mr. Huntington moved the following resolutions :---

Collowing resolutions :-"That ho, the said Locius Seth Hashing-ton, is oreibly informed and bolieves that he can establish by satisfactory evidence, that in antiopation of the legislation of last Semion, as to the Panlio Ruiway, an agroe-ment was made between Sir Hogh Allan, acting for himself and certain other Cana-dian promoters, and G. W. Moldulen, aot-log for certain United States angitalist, whereby the laster agreed to inroish all the funds necessary for the construction of the contemplated railway, and to give the former a certain per contage of interest, in consider-stion of their interest and porition, the schame agreed upon being cetessiby that J a Canadian Gompany with Sir Hegt Allan a ite heed--

a Canadian Company with Sir Hegt Allan as its head. "That the Gorerament were aware that these negoinstices were pending between the said parties—"That subsequently, an understanding was come to between the Gorerament, Sir Hugh Allan, and Mr. Abbett, suo of the member af the honorathed House of Commons of Casada, that Sir Hugh Allan and this Iricella should advance a large sum of money for the purpose of alding the alections of Ministers and their supporters at the contract for the construction of the railway—"That scorefully and the solution of the railway—"That scorefully Sir Hugh Allan did

"That accordingly Sir Hugh Allan did advance a large sum of money for the pur-presementioned, and at the solicitation and under the pressing instance of Ministers -

"That part of the moneys expended hy Sir Hugh Allan in connection with the ob-taining of the Act of Incorporation and Chartor, were paid to him by the United States capitalists under the agreement with him-

him - "I have been members be "That a Committee of seven members be appointed to inquire into all the diroum-stances connected with the negotiations for the sonstraction of the reasons on the subject, and with the granting the observe to send for persons, papers, and records, and with hu-stractions to report in full the evidence taken before the proceedings of the said Committee."

Sir John A. Macdonald received this sort ous indictment in silence. He hoped by these tactics to be able to crush the effort to bring him to justice at the outset. His followers had been privately appealed to to vote down the motion as one implying want of confidence, whereas, being for enquiry only, it followed, that not on the motion, but on the result of the enquiry suggested by the motion, must the confidence or want of confidence of the House depend. The solut Jury, 10/2, 10 shall." Was of control of the American State of the American State of the State of t

now was needed but the Rayal Assont. But again there was delay, for His Eccellency dui not come down till the 3rd of May to give the measure his canotion. A whole fortnight had been wasted in doing what, at the out-aids, could have been accomplished in fortyeight hours.

The Oaths to Witnesses Bill was now law On Monday, the 5th of April, at the earliest moment, in fact, after the Bill had been finally disposed of, the Committee met. All the necessary preparations had been made; not a solitary objection had been attered against the Committee proceeding. The witnesses had been snummond, and the House of Commons had sent a formal applica-tion to the Senate to ask the attendance tion to the Senate to all the attendance cortain of its memberets be examined. At a deep laid purpose to rendar the action of the Common nugatory was manifested. Gn the Com. Hitse assembling. Sir Francis Hinoks w solled to the stand. Sir John A. Macdunald at once rose, and, addressing the Committee, pleaded for an adjournme of the whole proceedings to the second u July, when Sir Hugh Allan, Hen, Mr. Ab pott, and Sir George E. Cartiar, than in Eng land, would have retorned heme and be able the site of the rising of Parliament, and when, therefore, the intervention or anthority of the House could not be invoked should occasion arise for it. Besides, these gentlemen had been long in England, and ample time had arise for it. Denine, save gnitions had been long in England, and a suple time had air-sdy elapsed for them to retorn had they or the Government de-sired it. It was absurd to exp-poe, as the realit proved that their efforts to raise capital could be successful, when the very obserter othe Gompany they were seek-ing to finance was alleged, on the floor of Parliament, to have been obtained by fraud and corruption. A month had already elapsed lines it was known they would be want-ed by the Committee, The Committee could have proceeded with the twenty or thirty other witnesses on the list pending their re-turn. Argument, however, was useless; the whole thing was cut and dried beforehand; for us sooner had Sir John A. Macdonald concluded, than up jumped Mr. James Mo-norald, one of the Minister, lard moved a resolution in the exact terms his Dunaid, one of the Ministerial majority, and moved a resolution in the exact terms his political leader, the scoused Minister, had auggested.

The minority appealed to the House. Mr. Dorien moved, seconded by Mr. Holton:-

ton:-"That, since the appointment of the Com-mittee, when the unanimous feeling of the Hurse was that its onjuity should be active-by prosecuted dering the present session, no-thing had coursed is plantify the proposed adjournment of the Committee to the 2nd of July ; hut, on the contrary, the interast of the constry imperatively domanded that the engairy should be presented without further is 'ty,'

The barefaced attempts of the incriminated Minister to balls investigation were now too transparent to be doubted. But the House once more gave a blind vote in obedience to his behests. Mr. Huntington had to bear from the Premier one of the most vulgar and brotal personal attacks recorded even in Sir John A. Macdonald's chameless career. Mr. Dorion's motion was defeated by: Yeas. 76; Nave, 107.

A Startling Episode.

At this juncture Mr. Hantington became pussessed of copies of the correspondence betwoen Sir Hugh Allan and his Northorn Pacific confederates. He was also made cogal-zant of the fact that the originals were depoited is a scaled packet in the custoly of the Hon. Henry Starzos, a backer of Mon-treal. Mr. Huntington thereupon moved, on the 15th of May, that the Committee should be directed to reassemble forthwith to sum-mon Mr. Starnes before them, and impound the papers. To show its importance Mr. Hantington proposed to read some portions of the correspondence. Sir John A. Mac-dunald at once exhibited the most abject terror at the prospect of the eyes of his deludod followers being thus radely opened. He assumed an altogether altered tone towards Mr. Hustington, and addressed him language as complimentary former style had been abo in 84 hle been abusive. Meantimes alip of paper had been handed to Mr. Speaker Cokburn, and that aupple functionary ventured on the extraordinary raing that a member making a motion, should not, when it related to a matter already referred to a Committee, read the oridence on which his motion was founded. However, Mr. Huntingtou's motion could

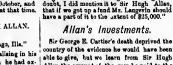
Parnament Turned Out of Doors,

Whether it was, or was not, intended when the House adjourned in May that it should ait for the drapatch of any hesiness that might come before it on the 13th of Augest, might come before it on the 13th of Augest, had, when that day arrived, oecome a matter of ascondary importance. An enquiry, found-ed on a charge of grave offisial malfeesance, its, it com anforeseen cances, broken down, and the question was, whether the respond-bility of dasling with the subregency should be left to the House of Commons, which was iterate mained of the matter or which was already seland of the matter, or whather it ahould be left to the accused Ministers themselves. The prorogation of Parliament would destroy the Parliamentary enquiry altogether, And this certainly was never pontemplated nor insgined when the Honse ed-jourcod. The plea that Ministerial supporters were not present, was plausible bot lassificient. If the disallowance of the Oaths Bill wers not a trick to dostroy the enquiry, it was the duty of Ministers, when that event occurred, to advise their support-are to be in attendance. But even in their beence it was not necessary to resort to prorogation. Anadjournment, to which the Opposition would have readily assented, would have avoided the violent destruction of the Dommittee, and still admitted of a full House assembling a month later. Lord Dufferin de-aired to secure this result, and offered to be the medium of negotiations between the Gov-ernment and the Opposition leaders. His Excellency's own account of his efforts is as fullows:---

It is to he regrotted the Governor-General did not indiguantly ecout the suggestion that men, personally known to himself to be uttorly incapable of any other than the most straightforward conduct, could not be trusted to keep good faith. If it were conceivable that, after sgreeing to an adjuarnment with-out discussion, Mr. Mackenzie and his friends would have endeavoured to take any advantage of the Ministers, there was still prorogatico to fall back upon, which would have reasoned them in a moment. But the remonstrances from all parts of the country, and that of ninoty-aix members of the House of Commons, were alike unavailing. His Excellency prorogued Parliament the same af. ternoon, Mr. Mackenzie protosting in indignant terms at the outrage committed on the right; and privileges of the House.

The Royal Commission.

From the Daity Globe of January 5. On the following day a Royal Commission was seaed to Judges Day, Polotte, and Gowan, directing thom to make the engalry. Mr. Huntington, when called upon tu attend, declined lu fitting and dignified language to recognize a tribanal that was itself an insult to the dignity of the House of which he was a momber. No prosecutor, therefore, ap-peared. The cross-examination of one another by the accused invested the proceedings with the character of a burlesque; and the truth, so far as it was ascortained, was extorted, not by any effort of the Commissionere, but aimby any clotted and commandation of a min-ply by reason of the disclosures already male, which rendered concealment and prevari-cation more dangerous than an assumed ap-pearance of candour.



able to give, but we learn from Sir Hugh Alian the amount of the sum he paid to the three Ministers. Reforring to the letter written to him by Sir George E. Cartier, on the 30th July, 1872, he said :--

biost, Attasa, Bio, 2000, has give Hugh) "taking the main of Sir Hugh Attasa, Bio, 2000, has give Hugh) "taking that he was instructed by Sir Gorres. Cartier to ramit me that sum for the elastion fund of Sir Hugh Attas attaing that, on my giving a rescipito Main stating that, on the same objoch. As I was about lawring Ottowas for Quabea, during the algorabed of the Quebea boat at Montreal, in which ha did. Told him there that find rescived a note from Sir Gorge Cardier, that thad rescipito of the subcorption of subcorption of the subcorption of a sub site of a subcorber stating a spondition the sub of a subcorber stating a spondition for a moment thick of giving e rescipt of the direct and subcorber stating a spondition the subcorber stating a spondition or axoning a spondition the subcorber stating and some subcorber at the stating and some subcorber at the station and mand the stating and some subcorber stating and some subcorbe Abbott's Improved Narrative.

Mr. Abbott, however, puts the matter a little more clearly, and shows that the payment of a sum of \$25,000 to Mr. Langevin was the distinct result of a negotiation during

near of a sum of \$25.000 to Mr. Langevin was the distinct result of a negotiation during the sexion or 1872. "It is quite the sum that I had a sumarens-tion script the foreion with Mr. Langevin. He mentioned to me that at the previous general elections he had been oblighed to orgend a very considerable sum of money, not very large in leading bewings comparasitory, and he said he did not that it fair that the ber-dee of those sleeting hadrond rest entirely on him. He said he thought to orght to have a hare ef any fonds subscribed it Montreal for election perposes to assist in Quebes, and that they could rest entirely on him. He said he thought to capit to have a hare of any fonds subscribed in Montreal for election perposes to assist in Quebes, which he had not full in previous elections, and that they could not expect much of a remand. I agreed with him in thinking that it was unfair that he should bear the bords of the Qoelco elections, and to the here a portion of any fand that abould be for a pin Monteal for general election per-poses. Talking over matters, it came out in conterations that probably the elections result on it the District of Quebes, irrespective of histore, a sum of 25,000 or 350,000 I told him that a far as I could influence the multer. I would raise the position of the Canada any alluation to the position of the Canada any alluation with a darker it any which he could anyport the views of the Lower Cana-dians the would draw, and we did my high mor-tion with a far and we did any which he could anyport the views of the Lower Cana-dians the would draw and we did my high here in a would draw and we did my high here in a draw bard in any matter

