

"ister, who has chosen to so characterize my conduct. I have sent a copy of this letter
"to Mr. Cameron for his information as Chairman of the Committee.

"I have, &c.

(Signed)

"EDWARD BLAKE.

"The Right Hon. Sir Jno. A. Macdonald."

I do not presume to question for a moment the propriety of the course adopted by these gentlemen. As Members of the House of Commons, they may have had a more acute appreciation of their Parliamentary obligations than had occurred to my apprehension,—but I trust that Your Lordship will not consider that I acted wrongly in thus endeavouring to forward the enquiry by what I considered an opportune expedient.

The Committee being thus precluded from swearing in their witnesses, a motion was made by Mr. *Dorion* supported by Mr. *Blake*, that they should content themselves with unsworn testimony, but the majority considering themselves debarred from this course by the express instructions of the House upon the point, they determined to adjourn until the 13th of August.

This resolution was taken on the 3rd of July. The day after there appeared in the *Montreal Herald*, a series of letters and telegrams written by Sir *Hugh Allan* to a Mr. *McMullen*, and to a Mr. *Smith* of Chicago, and to some unknown person in the United States in reference to the Canadian Pacific Railway. The day following a long statement on the same subject in the form of an affidavit was issued by Sir *Hugh Allan* in another newspaper. I have already had the honour of forwarding to Your Lordship both these documents, but I think it well to append them to this despatch for convenience of reference. It is not necessary for my present purpose that I should either analyse or contrast the conflicting assertions observable in these productions. It will be sufficient to note that not only does Sir *Hugh Allan* admit upon oath that the language of his letters is "inaccurate" but he also denies in the most positive manner the correctness of the inferences sought to be deduced from them. On the whole, as far as I could gather from the tone of the press, and from conversation, these revelations rather improved than otherwise the position of the Ministry. On the one hand, Sir *Hugh Allan's* letters accounted for and justified Mr. *Huntington's* pertinacity, on the other, his affidavit,—or rather, Sir *John Macdonald's* telegram quoted in the affidavit,—satisfactorily proved that so far from yielding himself or allowing his colleague, Sir *George Cartier*, to yield to the pressure put upon him by Sir *Hugh Allan* in the height of the election contest, my Prime Minister had required the immediate and complete cancelling of an arrangement favourable to Sir *Hugh* to which Sir *George* had evinced a willingness to subscribe. In illustration of this point, I subjoin Sir *George Cartier's* letter as well as Sir *Hugh Allan's* reference to Sir *John Macdonald's* telegram concerning it.

[COPY]

"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 Provincial Board of the amal-
"gamated 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 powers specified in the tenth section
"of the Act, incorporating the Canada Pacific Railway Company, &c., the agreement of
"amalgamation to be executed between the companies within two months from this date.