

various grounds. Sir Hugh said, as far as I can recollect, "Well, write down what you want." Sir George said very rapidly, "You know you won't lose it all. Our party will make up the greater part of what you give, but we want it now," or something like that. My memory is very imperfect as to the exact phrases used, as I never endeavored to recollect them until lately, when the matter became the subject of conversation. Sir George then said, "Very well; come back this afternoon. Let Mr. Abbott write a note requesting you to advance this money, and telling you that I will see that you are repaid, and come back this afternoon at such an hour and we will close the whole matter up." We left upon that; I went to my office, sketched a letter about the railway affair, either by dictation or otherwise, I don't remember now, corrected it, and had it copied.

*Question*—I would call your attention to these two letters now.

*Answer*—I sketched those two letters.

*Question*—You saw them, I suppose?

*Answer*—I sketched them; I drew them. I sketched those two letters roughly, knowing, I thought, what to say with regard to the first—the railway affair—but knowing very little about the other. Sir Hugh called upon me, and I took these two letters I had sketched to Sir George Cartier's office with Sir Hugh Allan. The first letter referring to the railway, Sir George was satisfied with as to the first two pages of it, but not with the third. The letter was written upon three leaves. He was satisfied with the first two leaves, but the conclusion of the letter did not exactly please him. He said "leave that off, and I will dictate to you what conclusion to put to it." He then dictated the four or five lines which constitute the last sentence of the letter as published; signed it, and handed it to Sir Hugh Allan. The other letter with respect to the money he did not approve of, and struck his pen through the most of it, I think, if not the whole of it; wrote a few words upon the draft, and requested me to write it over for him, which I did either from his dictation, or from the draft so altered by him. These are the two letters which Sir Hugh has produced this morning. I find that my recollection differs a little, but not materially, from that of Sir Hugh. I think that the terms of the first letter referring to the railway were agreed to, but that it was not written or signed at the first interview; that is we were leaving, and after the terms had been agreed to, Sir George spoke to him about the money in the manner in which Sir Hugh Allan has indicated, and that in the afternoon the two letters were signed. That is my recollection of the circumstances connected with that. Subsequently, in fact I think some time after this, the question of the amalgamation of the two companies was revived. We received an informal intimation from the Government, or some member of the Government, that it would be well to have a meeting at Ottawa, I think in the latter end of the month of September, with the Inter-Oceanic Company, or with leading men from that company, carrying out precisely, as I understood it, the telegram of Sir John A. Macdonald of the 26th July. Several members of the Canada Company came to Ottawa accordingly, and some gentlemen I think connected with the Inter-Oceanic Company also came, but of this I am not quite sure. At all events, on our arrival here, or shortly after, we were informed that the Inter-Oceanic Company had sent in a memorandum giving reasons for declining the amalgamation.

*Question*—Is that memorandum published in the Blue Book?

*Answer*—Yes, the first one. We saw several members of the Government about it, and requested to have a copy of that paper, that we might have an opportunity of answering it. They urged upon us to endeavor to answer it in such a manner as to remove the objections of the Inter-Oceanic Company if possible, rather than get into an altercation with them, and so increase the difficulties of amalgamation. The paper was not communicated to us at Ottawa, but a copy was sent to us at Montreal. The answer was drawn up, as we thought, in a very conciliatory spirit; urging the amalgamation strongly, and endeavoring to dispose of the grounds of objection raised by the Inter-Oceanic Company, and doing all that we could to endeavour to bring about an amalgamation. This answer was communicated to the Inter-Oceanic Company, and they replied to it I think.