

"authorized conversations with Sir HUGH, he was as reticent as possible ; that he had no proposition to make on behalf of the Government ; that in their unauthorized conversations he was not expressing the sentiments of the Government." Sir HUGH knew, so Sir FRANCIS states, that he was not opposed at that time to admitting the Americans, although he (Sir H.) knew that some members of the Government were opposed to it. From a knowledge of this, no doubt, Sir HUGH communicated more freely with Sir FRANCIS. These conversations took place before any scheme was laid before Parliament, and were with a view to getting information.

5. The Government decided upon their final scheme (the obtaining authority to charter a new Company) without any communication with outside parties. As the session of 1872 approached it was found that notice would be given for the chartering of more than one Company. The Government did not feel it desirable to oppose any of the charters, but resolved to carry their own bill, authorizing them to create a Company if it were found necessary. During the session it became evident that it was absolutely necessary to exclude all Americans from the Company. It was then, says Sir FRANCIS, perfectly understood by all members of the Government that all Americans were to be excluded. The Parliament sat until the 15th June (1872), and it was understood that nothing would be done about the railway till after the elections.

6. The next action of the Government was in the months of September or October (the elections ending in August), when negotiations commenced to secure the amalgamation of the Canada Pacific (the Montreal) Company and the Inter-oceanic (the Toronto). The Toronto Company would not consent to the amalgamation. The history of these negotiations is too well known to require repetition here.

7. About the 15th of October a Minute

of Council was prepared, giving a full account of all the Government had done in the matter to that date. It states that the Government had taken every possible means to prevent the Americans from coming into the scheme. It was hoped this would induce the Toronto Company to amalgamate, but it did not. Sir HUGH was now anxious that the charter should be given to the Montreal Company, but the Government determined to adopt another course.

8. Finally the Government decided to incorporate a company of thirteen members, giving five to Ontario, four to Quebec, and one to each of the other Provinces. The names were agreed upon without the concurrence of Sir HUGH ; in fact, he objected to several of them. Three were selected from the Toronto Company, and only one from the Montreal. Mr. HALL, of Sherbrooke, was taken against Sir HUGH's most earnest remonstrance. In the Company, Sir HUGH has only one-thirteenth interest. He got no benefit or favour of any kind throughout the whole negotiations. "It was impossible," says Sir FRANCIS, "for any undertaking to be got up with a greater desire to promote the interest of the country than this Pacific Railway charter. In my opinion, the Company was treated by the Government with less liberality than it should have been ; because it was an enterprise which, if gentlemen went into, they should be treated with the greatest liberality."

This brief outline of the history of the negotiations in reference to the Pacific Railway, we have given as far as possible in the language of the witnesses, and the facts can lead the reader to but one conclusion, that in their intercourse with the numerous parties, companies, and representatives of companies, concerning the Pacific Railway, the Government were influenced but by one motive, the good of the country.

In answer to questions, Sir FRANCIS

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