Then at the end of June the Oaths Bill was disallowed by the Imperial Government. The government majority on the committee held that as witnesses could not be sworn, there was no point in the committee proceeding with its work. After fruitless internal debate, the committee decided to suspend its operations until Parliament met on 13 August.

The period between 23 May and 13 August 1873 was a time of great political excitement in the country, as the Liberal opposition began to release documentary material to give substance to Huntington's charges. Seventeen damaging letters were published in the Toronto *Globe* and the Montreal *Herald* on 4 July detailing Allan's disbursements of \$360,000 to Conservative ministers in the recent election, and revealing the existence of the American backers of the railway syndicate from whom most of the money had come. Sir Hugh Allan attempted to put the best face on his involvement in an affidavit published on 6 July, but the effort was unconvincing. Then on 17 July testimony from one of Allan's American associates, G.W. McMullen, was published, together with further incriminating letters stolen from the office of Allan's solicitor, J.J.C. Abbott, member for Argenteuil. The Pacific Scandal became the overriding topic of discussion throughout the country.

The ensuing sitting of Parliament on 13 August 1873 was the most tempestuous in the young country's political history. Macdonald had advised the Governor General to prorogue the First Session of the Second Parliament, a step which would end the life of the Pacific railway committee. Ninety-two members, led by Richard Cartwright (Lennox), signed a petition urging His Excellency not to prorogue the House before it had been given a chance to undertake a full examination of the Pacific Scandal charges. Lord Dufferin, the Governor General, responded that he had no choice but to accept the advice of his Prime Minister. Alexander Mackenzie, as Leader of the Opposition, vainly sought to prevent the House from leaving its chamber and assembling in the Senate, from where it would be powerless to avert the Governor General's declaration of prorogation. Mackenzie took his stand on the rights of Parliament, claiming that "prorogation would inflict an unprecedented indignity on Parliament and produce great dissatisfaction in the country". But the Gentleman Usher of the Black Rod entered the Commons chamber with the Governor General's summons for the Commons to attend him in the Senate. The Speaker led about 35 Conservative members out of the House but Opposition members remained to protest the prorogation. They then adjourned to the Railway Committee Room to continue their denunciations of Macdonald and his colleagues. These deliberations of the rump of the Commons, continuing to meet after prorogation, were in fact reported in the press as part of the parliamentary record, and accordingly have been included as a unique historical witness in the reconstituted Debates of the First Session's stormy final day.

But Lord Dufferin was a Governor General who took the exercise of the duties and the prerogatives of the Crown very seriously. It was his constitutional responsibility to ensure that peace, order and good government reigned in Canada, and to this end, like previous governors, he played an active part in the deliberations of the Governor in Council, to the extent even of attending some cabinet meetings (a practice only definitively abandoned in the 1880s). The Macdonald government got its prorogation at a steep price. The prime minister had to agree to the naming an independent commission of inquiry, which would get to the bottom of the scandal and report prior to the convening of a Second Session of the Second Parliament in the fall of 1873. In a formal meeting of the Governor General in Council on 15 August, Dufferin and the cabinet duly appointed a royal commission of three retired judges under the Great Seal of Canada, to inquire into the circumstances connected with the award of the Pacific railway charter.