

any difficulty; one was that Mr. Macpherson could not agree to Sir Hugh Allan being President of the Company; the other was that Sir Hugh Allan would not agree to Mr. Macpherson's naming a preponderance of the Directors of the proposed amalgamated Company. These were the two points. This was communicated to Sir John A. Macdonald, and he at this time endeavoured to assist me in bringing about an agreement with Mr. Macpherson. I think he had one or two interviews with him; and when I left Toronto his impression was, as stated to me, that these little difficulties could be got over, and that we would succeed in this amalgamation. That also was my opinion. About the end of July, I think it was on the 29th of July, Sir Hugh Allan called upon me at my office, and asked me to accompany him on the following day, at 11 o'clock, to Sir George Cartier's house. He said that he had an appointment with him at that hour. To the best of my recollection Sir Hugh is mistaken in saying that I had been with him at previous interviews with Sir George Cartier. I do not think that I was with him except on the occasion of which I have just spoken, namely, the appointed meeting of the 30th July. Sir Hugh called upon me, and we went to Sir George's rooms and saw him there. Sir George and Sir Hugh had quite a lengthy discussion, which appeared to me to flow to some extent from previous interviews about the position of these Companies, about their amalgamation, about the prospects of the amalgamated Company in connection with the Railway; in fact, on the whole subject; and they came to agree in certain views about the matter, which were stated by Sir George and Sir Hugh plainly enough. The basis of their conversation was the telegram which Sir John A. Macdonald had sent Sir George on the 26th July, and Sir Hugh urged certain additional conditions beyond those mentioned by Sir John A. Macdonald. In point of fact, the telegram of the 26th July appeared really to settle nothing except what had been perfectly understood from the first, so far as I know, that Sir Hugh Allan was the fittest person to be President of the Company. That the Government considered him so, and considering him so would use their influence to obtain for him that position; but everything else connected with the railway and the enterprise was to be postponed until the elections were over. This position of affairs did not exactly settle one of the objects for which I understood Sir George and Sir Hugh had met. The people of Montreal, and a very large portion of the people of Lower Canada, were extremely anxious to know something about this railway and its prospects. They thought that the preponderance of the Upper Canada Company meant that the traffic of the Pacific Railway would be brought down to Toronto, and over the Grand Trunk to Montreal and the seaboard; while the preponderance of the Lower Canada Company would ensure a direct communication to Montreal with the Pacific Railway, by means of the Montreal Northern Colonization Railway, which the people were also very much interested in. In the interests of Sir George Cartier's election, as well as for other reasons, Sir Hugh appeared desirous of having something more definite settled than was contained in Sir John's telegram. The result was that they appeared to agree upon certain points in which Sir George was disposed to favour Sir Hugh's views. Sir Hugh then said to Sir George—"Now if you can put these points in writing for me, as you state them, I think they will satisfy our friends." Sir George was extremely busy, and was not a very ready penman at any time, and he said—"Mr. Abbott has heard our conversation, let him put down what he understands has passed between us, and come back this afternoon and we will close it up." We then rose to leave, and were leaving the room when Sir George addressed Sir Hugh on the subject of money in the manner which Sir Hugh has described. He said in an off-hand kind of way, "Are you not going to help us with our elections?" Sir Hugh said he would, or words to that effect, and said, "How much do you want," or "How much do you require?" or something like that. I understood Sir George to say that there would be a considerable sum required, as there was so much opposition on 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 endeavoured 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.

Q.—I would call your attention to these two letters now?

A.—I sketched those two letters.