

that a company had been partially organized in Upper Canada. A number of names had been got which were understood to be pledged to the formation of a company to exclude American capital and American control. I conferred with a good many of the Members, and with some of the Ministers, in a general way, about this, and I saw plainly that no charter to incorporate a company to build the road with American capital, or leaving the control of it in the hands of Americans, would be sanctioned by either the House or the Government. A short time after this, Sir Hugh Allan came himself to Ottawa; I think I asked him to come, and I told him what I thought was the position of affairs, and that unless he set himself to work to organize a Canadian company and abandon his American project, he could not succeed in what he wished to do.

*Question*—About what time was this?

*Answer*—About three weeks after the opening of the Session. It must have been about the end of April, I should suppose. I had two or three conversations with Sir Hugh Allan on this point, and Mr. McMullen himself had been here before that, and I had expressed the same opinion to him. I told Sir Hugh this in the presence of Mr. McMullen, and after some consideration, Sir Hugh authorized me to proceed with the preparation of a Bill for the incorporation of a company that would entirely exclude American influence and American capital. I should not say American capital, we could not exclude that if people chose to put it in, but entirely to exclude American influence. And I understood from that moment that any agreement that had been made with American capitalists was at an end. Subsequently, I told Sir John Macdonald our conversation; and I also approached Mr. Macpherson, and suggested to him, that as Sir Hugh Allan and his friends were willing to go into a company composed entirely of Canadians, and entirely under the influence and control of Canadians, it would be better if he and his party, which was strong, should join with Sir Hugh Allan and his party which was also strong, in forming one company, for the purpose of taking up this enterprise—that is, one Canadian Company. Mr. Macpherson was not convinced that the connection between Sir Hugh Allan and his American friends had ceased, nor that the influence of those people had ceased in the company; and this was one of the reasons, though not the only reason, for his not yielding to my suggestion to form but one strong company—the strongest company the Dominion could raise—to proceed with the building of the road. Consequently, I then prepared a charter for the Canada Pacific Railway Company, which was the name given to the Company of which Sir Hugh Allan was the prominent man, and the charter of the Inter-Oceanic Company was subsequently prepared and printed in nearly the same language.

*Question*—They were incorporated by statute?

*Answer*—Yes; but the incorporation did not take place for a considerable time after that. I think the Canada Pacific Bill was printed first, and the Inter-Oceanic Bill afterwards, containing the clauses of the Canada Pacific Bill, and a few more, and the matter remained in that position until about the beginning of June. The policy of the Government, as I understood, during that interval, was not settled with regard to these companies; that is to say, they seemed to be unwilling that the incorporation of private companies should proceed until their own measure, laying down the principles upon which they were prepared to act in carrying out the enterprise, should have either passed the House, or made such progress before the House, as would enable every one to know what the project was really to be.

After this took place, the Bills were allowed to go before the Standing Committee on Railways.

*Question*—The policy of the Government then to exclude American influence was known before these Acts of incorporation were passed?

*Answer*—It was known in this way, that everyone knew that there was a strong feeling on the part of the Government against American influence. No one knew, as far as I am aware, that there had been any distinct decision by the Government, but yet every one in the House distinctly understood, that either the Government, or the greater number of the gentlemen composing the Government, were opposed to American influence being