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"Resolved, That this Board is of opinion that the undertaking of said Company would greatly facilitate trade and commerce between the eastern and western provinces ; and further

"Resolved, That this Board cordially approves the project for building the said Ship Railway, believing that this is a movement which will commend itself to all classes, and prove to be of great convenience and benefit to our trade and commerce generally."

It does not escape our notice that the above resolution was passed before we became interested in the Railway, and when it was the object of Canada to induce British investors to provide the money to carry it out, while Mr. Baird's speech was made after we had expended about £800,000 on the enterprise.

The Board of Trade of St. John, New Brunswick, represents the general business interests of that port, as well as the shipowners, and the latter had amongst them more than a hundred times the tonnage registered in the name of Mr. Baird. But because he—the owner of three little schooners aggregating less than one per cent. of the registered tonnage of the port—thought the Railway would have no future, he is quoted by the Sub-Committee in their Report as an authority, and his opinions gravely stated as a sufficient reason why the Canadian Government should practically confiscate £800,000 of the money of British investors.

I now turn to the second statement quoted from Mr. Baird's speech, to the effect that it would be a matter of kindness not to renew the Company's charter, because it might lead to further loss. Here, again, Mr. Baird is quoted as an authority by the Sub-Committee. I think he was the inventor of the expression—repeated subsequently by many others—that the investors would save their money if the Canadian Government did not renew the subsidy. The Sub-Committee emphasise this view in their report, and refer to it several times. So satisfied are they to follow the lead of Mr. Baird in this matter that almost at the end of the Report they say:—

"The Sub-Committee feel assured that in refusing to renew the Company's Charter and subsidy the Canadian Government will do that which is best, not only for the interests of Canada, but also for the interests of the British investing public, which should not be tempted to put further sums into an enterprise which can end only in disaster."

In reply to the above, permit me to say that while Mr. Baird and also others have made this unfounded statement, it is incomprehensible that the Sub-Committee should have adopted it and put it forward with their endorsement. A single fact will demonstrate this beyond question. In the memorandum attached to my letter of January 13th last I said that the amount to complete and open the Railway for traffic would be about £300,000. This sum we would raise by the issue of Preference Mortgage Bonds, and we should then be entitled to our subsidy, say, £35,055 annually for 20 years. I have had an actuarial calculation made which shows that of the £35,055 per annum we should have to set aside only £23,901 15s. per annum to pay interest half-yearly at the rate of 5 per cent. on the £300,000 new capital, and to form a sinking fund, which would redeem the whole of it in 20 years. The Railway Company would therefore during these 20 years receive the balance of the £35,055, namely £11,154 per annum, and at the end of the 20 years it would have paid off the entire £300,000, have the Railway