

road. At the next session—the session, at any rate, of 1887—the subsidy applied to the 28 miles was made applicable to the first 14 miles that were considered doubly expensive at least.

By Mr. Lister :

Q. That would be \$6,400 a mile, would it?—A. Yes, it was just doubled up. Yes, that is, in effect, the same thing. That was voted under chapter 50, 51 Victoria, and it was on the 23rd June, 1887, when that was done. I want to state when that took place, and when that money was voted I owned no land, controlled no leases, had no interest to the extent of one dollar along that line, nor had I up to that time, nor since that time, one cent's worth of interest directly or indirectly in any stock or other way that a man could be interested financially or personally in an enterprise of that kind. The subsidy was voted in this way for the first 14 miles. Bear in mind I have told you this charter was granted by the Legislature of New Brunswick under a Liberal Administration.

Q. Coalition, Mr. Costigan?—A. Yes. Well, coalition with a strongly Liberal leader.

Q. Well, not strongly?—A. I am not going to diverge, but intend to confine myself to a statement of the bare facts without discussing anything outside of that. Our people were anxious for the construction of that road. The men who held the charter I concluded, rightly or wrongly, were delaying pushing on the work in face of the exceptional circumstances of the subsidy given to promote this work. It came to my knowledge that several meetings had taken place between these charter members—the men holding the charter—and railway constructors, but with no evidence that they would agree. The impression left upon my mind, to put it mildly, was that they were trying to see what bargain they could make; to sell out their charter to some one who would undertake to construct the work. To my knowledge several responsible parties had offered to take the road over, pay the expenses incurred and proceed immediately with the work. This resulted in nothing. When in New Brunswick I called upon these gentlemen to meet me at the Barker House Hotel, Fredericton, to discuss this subject. I met them frankly and fairly. I said: "Gentlemen, you are very slow about getting to work to construct that work. You must understand my interest is to see the work constructed. The money has been voted to start that road the first 14 miles which are the most difficult. We want that constructed. That will overcome the most difficult part of the navigation of the river and will be of great benefit though not of the benefit we expect the road to be when it is extended." They took the ground that they had the charter and that they were the best judges as to when they would proceed with the construction of the road. I then made this statement to them: "Gentlemen, I don't want to do anything that is unfair. This is a business transaction so far as you are concerned. I don't care if you make millions out of it. It is none of my business. But my county wants the road and wants it constructed without delay, and unless you go to work under your charter and take advantage of that subsidy and prosecute your work, some one will introduce a bill, very likely in Parliament, asking for a new charter to construct the work." They said: "You would not surely entertain the proposition that the Dominion Parliament would agree to grant a charter to another company which would be virtually covering the same ground?" I said: "I think Parliament would under certain circumstances. I think if the case were put before Parliament in this way, that they had voted a liberal subsidy for the construction of this work and that you held the charter, and gave no evidence of proceeding in good faith, I think that Parliament under those conditions, unless you could show cause why they should not do it, would grant a charter, but they would only be asked to grant it, I tell you this, with the condition that it should not interfere, even after its passage, with your chartered rights. If you even then went to work and prosecuted the construction you would be all right, because a clause could be put in as is often done in a bill, that this bill should only take effect at some day. I forget the date now, say, six or eight months, so as to give an opportunity to the chartered company to go on and carry the work out under their charter."

The Committee adjourned.