

giving two weeks notice of their desire to do so.

In event of the contract being cancelled, contractors to be paid for services at the rate of \$3,000 for the season of six months.

W. H. POPE, for
P. E. Island S. B. Comy."

15th May, 1865.

You will see by this offer that the Company require two weeks notice to terminate the contract; and the first point which I shall place before the Committee will be this, Was this proposal the basis of negotiation? The Special Committee in their Report have entirely ignored this proposition, on the part of the Company, without giving any reason for so doing. They do, indeed, seem to admit that the offer had been made, but they do not conclude that it was acted on. It will be shown here, as it was before the Committee to whom the matter was referred, that this proposal was handed in to the Government, and filed in the office of the Provincial Secretary, as shown by an endorsement on the back. Then what reasons are there to make this Committee think it was acted on or rejected? Now, if we can find that a new contract was made, and yet no new basis established, then we must conclude that the first proposition was the basis of the whole transaction and agreement. The agreement we find was made, the Committee say the boat was employed, but they also say that Mr. Hatheway, as agent for the Government, made an arrangement with another Company; that another boat was to be put upon that route, and they therefore infer that no arrangement had been entered into with this Company. They had to go to detached papers and letters in order to bring in a Report unfavorable to this claim, and they also had statement of Mr. Hatheway against the papers and affidavit of Mr. Pope. Mr. Pope was acting not in his own behalf, but for other persons, some of whom reside in Prince Edward Island, and some in this Province, (they are scattered about in various places) and so was the representative of the Company. As such the paper he produced to the Company on his return would show just what contract he had made. And how strange, under such circumstances, it would seem to the Company, in a few weeks after, that on account of some vague telegram, or conversation, the whole contract was overthrown. The Company relied on the contract which had been made; yet the Committee come here, after investigating the matter, and tell us that the terms of the arrangement had been complied with; and the only testimony they bring in support of this statement is that Mr. Hatheway told a Mr. Pope something. But this was no notice under the contract.

That, distinctly states that two weeks notice must be given, and if Mr. Hatheway could, by a mere conversation with a brother of Mr. Pope, the agent, destroy the contract, in what position would it leave the Stockholders? Unless this offer of the Agent to the Government can be set aside; unless it can be shown that a new arrangement altogether was entered into, then this proposition must stand as the basis of the agreement. The next piece of testimony which comes before us is the evidence of Mr. DesBrisay. It is in the form of an affidavit, and is as follows:

PROVINCE OF NEW BRUNSWICK.

Leostock Peach Wilson DesBrisay, of Richibucto, in the Province of New Brunswick, Esquire, maketh oath and saith: That on or about the eighteenth day of May, in the year of our Lord one thousand eight hundred and sixty-five, this deponent then being a member of the House of Assembly of the said Province, was present in the City of Fredericton, and that on or about the time mentioned William Henry Pope, of Prince Edward Island, exhibited to deponent a copy of a written proposition made by the said William Henry Pope on behalf of Prince Edward Island Steam Navigation Company to run the steamer "Princess of Wales" from Shediac to Richibucto and Miramichi, which said proposition was as follows:

(Here is set out the proposition of the Company as given above.)

And deponent further saith: That the said proposition was submitted to the Honorable George L. Hatheway, then Chief Commissioner of Public Works for the said Province, and that this deponent had several conversations with the said George L. Hatheway and also with the Honorable Richard Hutchison relative thereto.

And deponent further saith: That in the presence and hearing of deponent, the said George L. Hatheway accepted the said proposal made by the said William Henry Pope, as herein before mentioned, and contracted with the said Steam Navigation Company in the terms thereof.

And deponent further saith: That at the time of making such contract, the said George L. Hatheway emphatically urged upon the attention of the said William Henry Pope that the Government reserved to themselves the right to terminate such contract by giving a fortnight's notice of their desire to do so.

And deponent further saith: That on the 19th day of May, 1865, this deponent received from the said William Henry Pope a telegram, dated in the City of Saint John on that day, in which telegram the said William Henry Pope informed deponent to the effect that he had reason to believe that the Government proposed to pay the Steam Navigation Company \$100 a trip for the service which the said Company had contracted to perform after the rate of \$3,000 for the season, and also expressed his dissatisfaction at the pro-

posed departure from the terms of the contract made with the Commissioner of Public Works, as herein before mentioned.

And deponent lastly saith: That on receipt of the telegram so received from the said W. H. Pope, he, this deponent, conferred with the said Richard Hutchison relative thereto, who stated to deponent his intention to telegraph to the said W. H. Pope that the contract made by him with the said George L. Hatheway would be carried out in the terms thereof.

L. P. W. DESBRISAY.

Sworn at Richibucto, in the Province of New Brunswick, this 17th day of May, 1867, before me,

G. PHINNY, J. P.

You will find that this affidavit of Mr. DesBrisay has been entirely ignored by the Committee in their Report. Here we have the statement of a man who knew all about it, and was, as a North Shore member of the House, interested in, the matter. He together with Mr. Hutchison and Mr. Hatheway evidently decide upon the plan proposed by Mr. Pope; but after Mr. Pope has gone away, Mr. Hatheway telegraphs to him to make a new arrangement, and Mr. Pope, not willing to depart from the proposal he has made and which has been accepted, confers with Mr. Hutchison, the only North Shore member of the Government, who replies in effect "I'll set all right, and telegraph Hatheway all about it." This evidence, so strongly confirmatory of the acceptance of the proposition made by Mr. Pope on behalf of the Company, has been, as I have said, entirely passed over by the Committee, who have taken the statement of Mr. Hatheway, who—relying on his memory (and he has had, I believe, two severe attacks of illness since that time) two years after the circumstances have occurred and without any papers to which he can refer,—denies the statement made by Mr. Pope and others.

The next paper is the Affidavit of Mr. W. H. Pope, the Agent of the Company, and the gentleman who submitted the proposition to Mr. Hatheway as Agent for the Government. It is as follows:

PROVINCE OF NEW BRUNSWICK.

In the matter of the Memorial of the President and Directors of the Prince Edward Island Steam Navigation Company to the House of Assembly.

William Henry Pope, of Charlottetown, in Prince Edward Island, Esquire, maketh oath and saith: That he has read two letters; or, acting to have been written by the Honorable George L. Hatheway to the Honorable Abner R. J. McClellan, Chief Commissioner of Public Works, in the month of July last past, which said letters are now, as deponent believes, in the possession of the Committee of the House of Assembly to which was referred the Memorial of the said President and Di-