

—the idea of forming a joint stock company and of placing a steamer upon Lake Nipissing was originated. Mr. Smith offered to invest \$5,000 to \$10,000 in the project. I consulted with some others, all of whom favored the project.

I then issued a private prospectus, stating that the objects of the proposed company were to improve the *existing plant, and to secure the future business upon Lake Nipissing and possibly of the Magnetawan waters.* I stated furthermore that the first year of the company's operations would show a net profit of \$12,000. The actual result was a net profit of \$12,430.37, which was more money than the total of all the new shareholders had paid in for the next three years.

A charter for the Muskoka and Nipissing Navigation Company was obtained, and my steamers taken over at the low valuation of \$34,075 ; a board elected ; I was appointed general manager, and my bookkeeper was made secretary-treasurer.

Before calling upon the new shareholders for a dollar, after the company was formed, I built, at a cost of \$23,000, the screw steamers "Muskoka" and "Lake Joseph" at Gravenhurst, and the "Inter-Ocean" at Lake Nipissing, my credit being so good, seeing that I had paid for the "Nipissing," "Simcoe" and "Rosseau," and "Wenonah," excepting \$4,000 due my wife's family upon the latter boat ; my indebtedness to Ross & Co. had been reduced to \$5,000, which the firm readily agreed to extinguish in lieu of shares in the new Company for that amount. They furthermore, very kindly, gave me a letter of credit to the Quebec Bank for \$10,000 for shipbuilding operations, without any compensation or commission. It was not until the following June that the first call of 10% was made upon the shareholders, which only brought in a comparatively small sum, in fact much less than the current profits of the steamers even up to that early period of the season. None of the shareholders' money was taken by me personally or upon my account to any one else.