

Statement of the Chignecto Railway Company's Case.

A Royal Commission appointed in 1871 to deal with the question reported that at any cost a trade route should be made across the Isthmus of Chignecto (as shown by the red line on the map). The Government was so impressed with the commercial advantages of cutting a ship canal across the Isthmus that they decided to construct it with public money, and Parliament voted sums towards doing so in 1872 and 1873, for a Conservative Government, and in 1874 and 1875 for a Liberal Government, as both Parties supported the policy. The estimate for the Ship Canal was \$5,216,000, and in voting one million dollars in 1875 to begin the Canal the Hon. Alexander Mackenzie, Prime Minister said:

"that if it were possible to execute the work at prices corresponding somewhat with five millions it might be a considerable advantage to do so."

But subsequent estimates placed the cost as high as \$9,000,000 or \$10,000,000, and in consequence of this the scheme remained in abeyance.

In 1880 Mr. Ketchum, an eminent Canadian civil engineer, proposed to the Government to construct a Ship Railway instead of a Ship Canal. The scheme was submitted to and approved by the Chief Railway Engineer to the Government, Mr. Collingwood Schreiber, in a report dated 4th February, 1882, and was adopted by the Government in place of a Ship Canal, because it possessed greater advantages, would cost far less, and whereas the Canal was to be built by Government with their own money, the Railway was to be constructed by a British company with British capital, the subsidy to which would cost the Government only about one-half of the estimated cost of a Canal.

Parliament therefore passed two Acts in 1882, for a body of Canadian incorporators, one incorporating a Railway Company, and another granting it a subsidy of \$150,000 per annum for 25 years. The Subsidy Act states that this is given—

"In consideration of the great advantages which would accrue to the Maritime Provinces and the Inter-colonial trade of Canada generally from the construction of a Ship Railway across the Isthmus of Chignecto, &c., &c."

and in the incorporating Act it is stated that this was done because the construction of the Railway would be—

"Especially conducive to the development of the commercial interests and coasting trade of the Maritime Provinces of the Dominion."