

nine or even ten millions and the ship canal scheme was on this account finally dropped.

The Ship Railway, continued Mr. Provand, was some years afterwards proposed by Mr. Ketchum a well known Canadian civil engineer. He laid his plans before the government who submitted them to their chief engineer Mr. Collingwood Schreiber, and he reported approving the scheme which the Government therefore adopted and agreed to subsidize provided Mr. Ketchum could find the capital in England and that they would not require to pay the subsidy until the Railway was completed and working to their satisfaction. Please note that the Government had been willing to expend between five and six million dollars of their own money in making a ship canal. Now a ship railway presented many advantages over a canal and as the capitalized value of the Railway subsidy was only half the cost of a canal and no part of the subsidy was payable until the Railway was working, the bargain was a very good one for the Government.

Parliament then passed two Acts in 1882 incorporating the Ship Railway Company and granting a subsidy of \$150,000 per annum for twenty years.

Mr. Ketchum took the Acts to London and laid them before bankers, showing the terms offered by the Government to obtain the capital, but estimates made the cost higher than was expected and he could not obtain the money. For the next six years, namely until 1888, he was passing between Ottawa and London having the terms altered to overcome the financing difficulties. The two original Acts were amended by three others, subsequently passed, in order to get the money and finally the bankers promised to ask British investors to subscribe the capital if the Canadian Government signed their approval of all the plans and specifications and the Government did so.

The incorporators named in the act were only known to our bankers as the necessary legislative machinery created by your Parliament as a pro forma company to hold temporarily the charter, the subsidy and the contract to construct the Railway until they could be transferred to our investors in exchange for the money to carry out the project. They never intended to find any capital, their object and that of the Government was to obtain the capital in London and this was repeatedly stated in the House by the Ministers.

Mr. Ketchum was in effect an agent of the Government and all the negotiations were conducted by him. No one came from London to Canada seeking the business. We took no part in promoting it. That was entirely done here in Canada.

The only promoters we knew were the Canadian Government and Mr. Ketchum who came to London with their offers amending and re-amending them until we were induced to promise the capital. His representations were those of your Government and of your House by its Acts and the Government proved its faith in the scheme by subsidizing it.