

Sir Robert Perks also stated that he was authorised by responsible parties to say that they were prepared to take 4 per cent. Bonds up to a sum of \$72,000,000 to be applied to the construction of the Eastern Section of the work from the St. Lawrence to Ottawa; and the Western Section from North Bay to the Georgian Bay.

Mr. Rogers gave Sir Robert Perks an appointment to discuss the proposals, and stated that he would confer with his colleagues and see Sir Robert Perks on his return from New Brunswick.

Renewed
Proposals of
the Canal
Company to
the Govern-
ment.

53. A definite offer was subsequently submitted to the Government by the Canal Company dated 5th May, 1913, and addressed to the Prime Minister.

This proposal was accompanied with an explanatory letter from Sir Robert Perks to the Prime Minister of the same date, in which Sir Robert Perks stated that before leaving England he had again conferred with experienced Bankers and Brokers in London as to the form of the proposal which the Canal Company should submit to the Government, and especially upon the financial arrangements to be made in case the Government determined to build the Canal in sections.

In this proposal the Company stated that they were prepared to construct and equip the whole Canal within eight years from the St. Lawrence via the Back River through Ottawa to Georgian Bay for an inclusive price to be agreed with the Engineers of the Government; and to take payment for the works in Canal Bonds guaranteed 4 per cent. by the Government taken at par. The Company would undertake to complete the work within the authorised capital of the Company, and to give ample guarantee for that purpose.

In the alternative, if the Government should decide to construct the Canal in sections, the Company stated that they would be prepared to build the French River section, provided the Government would guarantee 4 per cent. on \$22,500,000.

This section would include not only canalization of the French River and the construction of three locks on that section; but the above named figure also included expensive Warehouses, Docks, Railway Terminals, and connections at North Bay, communicating with the Canadian Pacific Railway, the Grand Trunk Railway, and the Canadian Northern Railway.

This section would take three years to complete.

The Company also offered to build an eastern section of the Canal from the St. Lawrence to the City of Ottawa, providing, in addition to the works shown on the Government plan, a deep water basin at Recollet Reach, with one mile of Wharves and Quays at the City of Hull, opposite the City of Ottawa.

The section would take five years to build.