

honorable predecessor (Sir Charles Tupper) to make a general statement as to the railway, giving, as nearly as he could, all the particulars, all the incidents that had transpired, and the prospects of the railway. I do not intend to follow this example by going over ground that has been gone over before, and so well gone over. I do not propose to enter into a discussion of former transactions, explained to this House time and again, but what I propose to make is a statement generally of what has transpired since the loan of last year, and perhaps in some particulars I may have to refer to former years. In the first place, let me say that the company have proceeded with their work during the last year, under the loan given by this House, with great vigor and energy, that not one particle of that energy we have seen in former years exhibited by the company has been lessened or decreased in the slightest degree. I do not believe that you could get any other men in this country who would have undertaken that work and pushed it to the extent these gentlemen have. Consequently, in starting, I may say that I think they are entitled to every consideration from this House and from the country, and that we may feel proud that we have found Canadians who could undertake this work and carry it through almost to completion as they have done. When I travelled through that country last fall I found that the line was a much better road than the contract they had entered into demanded, and I found that they must have expended large sums of money beyond what the contract required. I found that they had constructed the road, not only across the prairies, but into that sea of mountains going into British Columbia, which my hon. friend opposite has so graphically described. When you get into the Rocky Mountains you wonder that so few men could have performed this work, for there 100 or 1,000 or 5,000 men appear as nothing. I felt at that time that we owed a great deal to these men, and I feel now that we owe a great deal to them, and that they have done the work well, and have done a great deal more than they agreed to do by their contract. It is for that reason that I am here today to propose the resolutions that are now before the House. It is because they have expended large sums of money beyond what the contract required that I am forced to ask the House—I believe a willing House, a House that will appreciate the great work that has been done by these men, a work that could not have been done if they had adhered strictly to the contract—to agree to these resolutions. These gentlemen do not ask for one dollar to complete their contract. We all believe, they believe, and the chief engineer himself says, that the money provided for the completion of that contract is amply sufficient to carry it through and finish the road; but it was found necessary to do considerably more than that, in order to make the work one which would be in the interest of the country, according to its latest developments, and consequently they found that, while they could complete the work in the terms of the contract, they could not do that which must be done in a few years, in order to compete with other transcontinental railways, without the additional expenditure. Consequently, they found themselves involved in a large expenditure, and found it necessary to make an outlay which was unprovided for by the loan of last year. I think that was wise. I think I appeal to a House which will appreciate the wisdom of getting that road completed at once in a proper shape, rather than having to go over it a second time. The only thing the company are going to ask from this House in the shape of money is that they may be assisted temporarily to the extent of \$5,000,000, with ample security for repayment, and to be allowed to cancel stock of \$35,000,000 and issue bonds, in order to pay the loan and complete the road. This is the sum and substance of the resolutions as they stand. There is no money to be given for the completion of their contract—not one farthing—they do not ask it. The arrangement is to be made, if at all, not in the interest alone of the company, but of the country; that the road shall be, in all respects, superior to the contract, and as good as any of the other transcontinental railways between the Atlantic and Pacific Oceans, and in every respect in a position to compete with the other roads. The company desire to get possession of their property in order that they may use it for the equipment and completion of the road. And, to put it in first-class position, they propose to pay off the indebtedness already incurred with the Government; to cancel \$35,000,000 unsold stock, issuing instead same amount of first preference bonds, \$20,000,000 of which will be held by the Government as security, the proceeds of which, when sold, to be appropriated to pay off \$20,000,000 of the loan of last year. The other \$15,000,000 of bonds will be deposited, or the proceeds when sold, first \$8,000,000, as security for a loan of \$5,000,000 to pay off their

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floating debt, which loan is to be repaid in July, 1886; the balance is for the purpose of equipping and completing the road in first class style—far above the standard contracted for, and as security we take the whole 21,000,000 acres. I think no hon. gentleman will say that the security we take is not ample, and does not secure us fully. My hon. friend may say, and probably will say, that we are releasing the security we had before, but the first mortgage bonds on that road of \$20,000,000 must be as good as the security we had before. The \$35,000,000 of stock in the hands of the Government was only to be sold, as explained by Sir Charles Tupper last year, for the purposes of the road or for the purpose of repaying the loan to Government. They are applying that now exactly, as was indicated by Sir Charles Tupper in his speech last year, towards the completion of the road, and eventually, also, towards paying back the loan—there can be no question about that matter. There can be no question about the point that he made in his speech last year when he indicated to the House, and when the House quite understood that whatever use was ever made of that it never could be used without the consent of the Government, and if used at all, it was either to be used in the completion of the road or in paying back the loan. Now, Sir, it is proposed to use it in both ways. The first \$20,000,000 is to be kept towards paying off the loan of last year. No one can doubt that these first mortgage bonds upon the road for \$35,000,000 only are good security, and that they are available security. The reason that they have come to us this year, and the reason that they came to us last year for a loan, was simply because their securities, which everybody in the country believed were available, and could be used for the completion of that road, had turned out not to be available; there was no market for them; the times had gone against them, and they are exactly in that position to-day; though I believe that in a short time the securities will become better in the market, and I have not the slightest doubt that the company will be able to avail themselves of the proceeds of those bonds and to pay back the \$20,000,000. I have no doubt, also, they will be able to avail themselves of the \$15,000,000 in bonds, in order to pay us back the temporary loan, which they will have to pay in July, 1886, and also to build the road, as I said before, and to put it in such a condition as that it will be able to compete with other roads. Sir, I travelled over that road last year, as far as they had gone, and I found it superior to any thing that I have travelled over on the prairie yet—in many instances much superior. There is no possibility of their being troubled with snow. The cuts are wide, and the slopes are taken to an extent of from 100 to 200 feet from the railway, involving an enormous expenditure on that account. The excess of expenditure has been brought about from that and various other ways. Of course, they have built iron bridges across the Saskatchewan and across the Bow River, and all these things, which are outside their contract, have cost them a great deal of money. Now, Sir, it was explained by my hon. friend and my distinguished predecessor, last year, that certain contracts were entered into by the Government, one north of Lake Superior and one at Port Moody. At the time he explained to the House he said there were certain amounts that must be paid hereafter upon these contracts, and there had been certain amounts then paid—I forget exactly the amount he fixed as having been paid north of Lake Superior, but a considerable amount was required to complete the work. I am happy to say now to the House that that work has been completed, with the exception of about \$60,000 worth. There is a little more filling to be done on that section, but \$60,000 is the estimated cost of completing that work. Now, Sir, when he spoke of the Port Moody section of 213 miles, if I remember rightly, he explained that there had been \$7,000,000 worth of work done on that section, and the estimated cost was \$9,000,000. That work has proceeded favorably, and will undoubtedly be completed within the contract time, which expires early in July, I think the 1st. But there remains to be done yet, stated in money, about \$350,000—I have not the odd figures exactly—to complete the whole line, which we expect will be by the 1st of July, when the road will be handed over to the Government. Sir, this is not all. There is a bad side to the case, which I must present to you, because I think, in explaining a question of this kind, my friends, as well as my opponents, expect a clear and frank statement which they can rely upon, and they want to know the unfavorable as well as the favorable side. Now, this is the position in which I find myself in respect to the section between Port Arthur and Winnipeg. The estimated cost of that work was \$28,000,000; I find it is going to cost us about \$29,500,000, an excess over the estimated cost of about \$1,500,000. This is partly accounted for