

parties but an obligatory statutory obligation, it became a statutory duty imposed by Parliament with a paramount power upon the individual, and if that duty was imposed, it could be enforced by a mandamus. That is my statement. Well, the second clause of the contract made by us is followed, word for word, I may say, except striking out the words "hereby tendered for"—hereby tendered for, they mean of course. It provides that "the contractors immediately after the organization of the Company, will deposit with the Government \$1,000,000 in cash or approved securities." There was an obligation we were told, that they "shall" do it, that they must do it. When I came to the clause about building the road, the word "shall" in the contract that we made, is struck out and the word "will" put in. The parliamentary statutory obligation to pay the money was left, but when we come to the clause saying they shall build the road, the word "shall" is struck out and the word "will" substituted. The word "will" is merely an expression of intention, and the only consequence, if this is carried out, is that the subsequent part of the contract will be inoperative, because it says that on condition of the promise, the Government agree to make certain payments. So if the promise be not carried out, the payments will not be made. If the word shall is good "shall deposit" it is good for "shall build," yet it is left in for the deposit and struck out for the road. There must be an object in that; that is a statutory obligation which imposes that duty which the Government of the day can force as it can force all duties thrown on Parliament on the subject. I had forgotten a paper that is placed in my hands to which I shall call your attention. I spoke about the value of the land along the prairie section which, of course, must be of more value than the land which the whole Syndicate would have to take for their additional burden and their additional responsibility along the whole line of railway. We will take the Canadian section. Now, this is the statement based on the new proposal. We will value the land grant for the prairie section at \$1.00 an acre, and that everybody must admit is absurdly low—

Mr. MILLS. Hear, hear.

Sir JOHN A. MACDONALD. Yes, it is absurdly low for the land lying twenty-four miles on each side of the prairie section; it must be worth more, when the railway is built, than a dollar an acre. The cash subsidy, 900 miles at \$733.33 per mile will be \$6,600,000, and the land grant, 10,000 per mile for 900 miles at \$1 per acre, will be \$9,000,000, making in all, for building the prairie section, at \$1 an acre, \$15,600,000. If you take the land at \$2 an acre, and that is far too low by the estimates of the hon. gentleman opposite, the cash subsidy of the land grant at \$2 an acre will make in all \$24,600,000. Value the land at \$3.18 an acre and it will be worth \$28,620,000, making in all, cash and land, \$35,220,000, so that for building the prairie section, the cheap section, the easy section, the section which can be run at a profit—at \$1 an acre, they will get \$17,333.33 per mile; at \$2 an acre, they will get \$27,333.33 a mile, and \$3.18 an acre they will get \$39,133 a mile. And this price would be given by hon. gentlemen opposite who say that that section can be built at \$8,110 per mile.

Sir ALBERT J. SMITH. How much would they get on your proposition?

Sir JOHN A. MACDONALD. Now, when the House was discussing the sub-division and subsidy, it was alleged that there was a disproportionate sum given to Messrs. Stephen & Co., and this offer was meant to make the public believe that the sum was excessive. I have shown you, that believing as everybody must who looks at this offer, that it is only intended to build the prairie section, the whole thing will vary from \$17,000 to \$39,000 per mile, according to the various estimates per mile. That is for the prairie section alone. The reason why the sum was put

large and full in the original contract for the prairie section, was because that section must be built, first and speedily. That is the portion that can only be built first, and until that is built the population which we believe will readily and eagerly seek shelter and homes in our North-West, cannot get there. It was of the very greatest consequence to the Government that this road should be built at once. This large subsidy was, therefore, given for the prairie section as an inducement for the contractors to push that road there within three years, which they stated they were quite ready to do that, if they got the contract ratified by the 1st of January, and they will build that as shortly after that time as possible. It makes no difference if the security is good; if the capital is in the hands of gentlemen of honor and means, it is of no consequence where the money is expended. The division is made for the purpose of hurrying up the 1,000 miles across the fertile prairies of the North-West, so as to enable the population to go in at once. And, Sir, you must remember they can get no lands near Lake Superior nor in British Columbia, which had been described by hon. gentlemen opposite as valueless, that Province being a "sea of mountains." Therefore all the land to be given is concentrated in the prairie country, and we endeavor to induce them to build the road and as many branches as possible by grants in that region. The great object was not only to have the line running from east to west, but to assign the Company lands to be selected by the joint action of the Government and themselves. To encourage them to build branches, we give them a large and valuable allowance, so that that whole country may not only be opened up east and west, but be penetrated by herring-bone lines running northward and southward far into the interior. I hear a voice behind me saying that they are to build the Lake Superior section at the same time. We took good care of that. I believe that the men who signed the first contract are men of honor and great wealth, who cannot afford to lose their character, prestige and credit in the markets of the world by breaking a contract. But we felt we had no right to take their word for it, and therefore stipulated in the contract that the Government commence from the beginning of the Canadian Pacific line, possibly at Calder Station, and proceed vigorously and continuously, and in such a manner that the annual progress—shall not secure completion at the end of ten years but shall be such as to show the Government that the Lake Superior road could be finished in ten years. You must remember that this is one contract, and not a separable contract, to build the eastern or the western section. It is a contract to build both, and if the Company failed in performing their contract in carrying out their obligations as to the Lake Superior road, or the prairie road, they have no right to claim a subsidy in kind or money because of having done so much work on the prairie section. If they fail on one section, although they may have built twice the number of miles that they promised across the prairie, and may have finished them to our thorough satisfaction, when they come to demand the land and the money, if they have not worked vigorously and continuously on the Lake Superior section, achieving a rate of annual progress, assuring us that it will be finished within the proper time, then we shall say: "No you don't—you shall not have this money; true, you have built the prairie section, but you have failed at other parts of the road which must go on *pari passu*, and we will not give you a dollar or an acre, because, though you have done the full amount on the prairies, you have made a failure to a great extent elsewhere." In order to make a great flourish on the new sections or proposals, the opponents of the old scheme have struck out the 15th clause as follows:—

"For 20 years from the date hereof, no line of railway shall be authorized by the Dominion Parliament to be constructed South of the Canadian Pacific Railway, from any point at or near the Canadian Pacific