

May 5, 1874

PACIFIC RAILWAY AND CANAL IMPROVEMENT LOAN

Hon. Mr. CARTWRIGHT moved the House into Committee of the Whole to consider the following resolutions:

1st. *Resolved*, That it is expedient to authorize the raising by way of loan for the purpose of the construction of the Canadian Pacific Railway and the improvement and enlargement of the Canadian canals, of a sum of money, not exceeding eight million pounds sterling.

2nd. *Resolved*, That it is expedient to provide that such portions of the said loan as shall not be raised upon the guarantee of the Commissioners of Her Majesty's Treasury, as mentioned in the following resolutions, may be raised in such manner as the Governor in Council may direct under the provisions of the Act 35 Vic., Cap. 6, entitled "An Act respecting the public debt and raising of loans authorized by Parliament", and that the principal and interest thereof shall be chargeable upon the Consolidated Revenue Fund of Canada.

3rd. *Resolved*, That it is expedient to provide that of the said sum of eight million pounds, a sum not exceeding 3,600,000 pounds may be raised with the guarantee of the Treasury under the Imperial Act known as "The Canada (Public Works) Loan Act, 1873," in such manner and form, and on such conditions as they think fit, at a rate of interest not exceeding four per cent per annum, and subject to the following provisions: The Consolidated Revenue Fund of Canada shall be charged with the payment of the principal and interest of any loan guaranteed by the Treasury, under said the Imperial Act, immediately after the charge for the loan of the sum of three hundred thousand pounds sterling, payable to the Hudson's Bay Company, created by the Act of the Parliament of Canada, 32 and 33 Vic., Cap. 1.

The Government of Canada shall pay a sinking fund at the rate of one per cent per annum on the entire amount of the loan guaranteed by the Treasury as aforesaid, and the Consolidated Revenue Fund of Canada shall be charged with the payment of such sinking fund immediately after the principal and interest of each last-mentioned loan. The Consolidated Revenue Fund of Canada shall be charged with any sum issued out of the Consolidated Fund of the United Kingdom under the Canada (Public Works) Loan Act, 1873, with interest thereon, at the rate of five per cent per annum, immediately after the said Sinking Fund. Due payment and application of the money raised by any loan guaranteed by the Treaty under the Act last mentioned shall be assumed and certified in such manner as the Treasury may from time to time direct. The annual sums for the Sinking Fund shall be remitted to the Treasury by half-yearly payments in such manner as they from time to time direct, and for the investment and accumulation thereof under their direction, in the names of four trustees nominated from time to time—two by the Treasury and two by the Government of Canada. The said sinking fund may be invested only in such securities as the Government of Canada and the Treasury from time to time agree upon, and shall, whether invested or not, be applied from time to time under the

direction of the Treasury, in discharging the principal of the loan guaranteed by the Treasury as aforesaid, and the interest arising from such securities (including the interest accruing in respect of any part of any loan discharged by means of the said sinking fund) and the resulting income thereof shall be invested and applied as part of such sinking fund.

4th. *Resolved*, That it is expedient to provide that, subject to the foregoing provisions as aforesaid, the moneys raised shall be applied and expended for the purposes mentioned in the preceding resolutions, only in such manner and in such proportions as the Parliament of Canada may have authorized, and that a detailed account of all moneys so expended shall be laid before the House of Commons of Canada during the first fifteen days of the then next session of the Canadian Parliament.

Hon. Mr. CARTWRIGHT said the object of the Government was not necessarily to borrow this large sum of money at once, but under the terms of the Imperial Guarantee Act it was found desirable to ask for power to borrow an amount not exceeding eight million pounds sterling. The object was simply to put the Government in a position to claim, if they required it, a certain portion of the Imperial guaranteed loan.

Hon. Mr. MITCHELL asked the Finance Minister whether that Imperial guarantee was not based on the supposition that the Canadian Pacific Railway was to be constructed from the existing Canadian system of railways to the shore of the Pacific. If that was so, he would like to know whether there had been any correspondence with the Imperial Government on the subject, or whether any assurance that the modified scheme would receive the assent of the Imperial Government had been received, and whether they would get a loan in consequence of that modified arrangement.

Hon. Mr. CARTWRIGHT said that under the Canada (Public Works) Loan Act, the guarantee was for the construction of our canals as well as of the Pacific Railway, and we were entitled to claim at least a portion of the guarantee. He did not think the Imperial Government were likely to refuse to consider the application.

Mr. YOUNG thought it unfortunate that any member of the House should have suggested any doubts on this subject. He thought the common sense, practical way in which the present Government intended to deal with the matter would commend it to the Imperial Government.

Hon. Mr. TUPPER said the country was pledged to a large expenditure of money on important public works, and there was no doubt that it was to the advantage of the country, and to the interest of every person, that the money immediately wanted should be raised.

Hon. Mr. MITCHELL, in answer to Mr. Young, said it was his duty to see that every proper information was given to the people, and although perhaps he might rise from his seat a good many times, yet he endeavoured never to do so unless he felt the necessity.