

in location and modification of design, \$1,385,000; by reduction in rolling stock, \$745,000, and in the cost of workshops, etc., \$200,000; total, \$2,330,000. Deducting the cost of the Prince Arthur Landing and the steel rails, \$35,000, it leaves a reduction of \$2,295,000. On the Pembina Branch the reductions are: in rolling stock, \$193,100; from Kamloops to Emory they are, by alteration of design, \$1,663,200; by reduction in rolling stock, \$250,000; and from Emory to Port Moody they are, by alteration of design, \$133,700; and in rolling stock, \$180,000. After hearing these figures the hon. gentleman and the Committee must see that these reductions were fair and proper reductions, that they were made for the purpose of saving the money of the country and the supplies at our disposal, and that my hon. friend should not be found fault with, because he saw, after his estimate of last year, that he could still further reduce the expenditure. On the contrary, I think he is deserving of praise, not for doing more than his duty, but for doing his duty and doing it well. The hon. gentleman says he is not bound by any expression of his about the value of lands in the North-West. Why, then, should my hon. friend be held bound by his estimates of last year, when he has managed to make a saving for the country? The leader of the Opposition complains that the Union Pacific Railway has been adopted by us as a standard of comparison. The hon. gentleman says such and such was the condition of that road, of its grades and curves and material under the contract, and, therefore, it should not be adopted as a standard by the Parliament of Canada. But the hon. gentleman is entirely wrong. It is not the contract of the Union Pacific Railway that we are bound to take; it is the railway as built, and that railway is a good one. It is a railway on which the grades and curves were a great deal better than upon many other railways which are considered good railways—first-class roads. The Union Pacific was opened for traffic in May, 1869, and I passed over it myself in 1871, and it is a perfectly good road. It is a road on which, though the speed was very great, there were no accidents when I travelled over it from one end to the other on my way to and from British Columbia, though with such a length of road it would not have been surprising if accidents had occurred. We all know that we have had accidents on the Intercolonial Railway, which is a good road, one in which we all take pride. With regard to the curves and grades on the Union Pacific, I find that they are less than those upon either the Portland and Ogdensburg, or the Baltimore and Ohio. Some of the grades on the Union Pacific are high, of course, but we are not to suppose, because there are on that road grades of 80 or 90 feet to the mile, that there will be similar grades upon our own road. We know full well the country through which the Canadian Pacific Railway is to pass; the explorations and surveys have been numerous and costly, and though the line may have to pass through some heavy parts of the country, yet, compared with the country through which the Union Pacific road passes, it is much more favorable for construction. The Union Pacific winds up and around the mountains, so that, at times, when the traveller imagines he has gone a long distance, he all at once discovers that only one-half or three-quarters of a mile has been travelled, owing to the circuitous nature of the route among the Rocky Mountains and the Sierra Nevadas. But upon our line we know by actual surveys, that, instead of the railway ever attaining an altitude of 8,000 feet, its greatest altitude will not be over one-half that height; so that we may reasonably expect that the curves and grades of the Canadian Pacific Railway will be better than even the best portions of the American road. Besides, Mr. Chairman, we must see that it is not to the interests of the Company to build an inferior railway. If the Syndicate were a company formed for the purpose of building the railway and then handing it over to the Government,

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like most of the public works for which contracts are made, they might have some interest in building a road of an inferior character. But, Sir, it is to be their own railway, to be worked by themselves, and surely they would not be so foolish as to build a poor railway for the pleasure of rebuilding it within a short period. It is said these gentlemen will not use the best material, and will not adopt proper grades and curves, in order that the road may be worked with advantage. These men are not going to work that railway for the mere pleasure of doing so. They are not undertaking it for the sake of patriotism. They are undertaking it to make money, and they will make money, because they know that a railway through that beautiful country, settled with a large and thriving population, must give large returns. The hon. gentleman says it will be an inferior road, built with iron rails. If the hon. gentleman had read the contract, he would have seen that the exemption from customs duties of the material to be used in the railway applies, not to iron, but to steel rails, and, therefore, steel rails are the rails to be and must be used, because the Company will not be fools enough to buy iron rails and pay duty on them for the construction of this road. They will necessarily use steel rails that are exempt from taxation. The hon. gentleman and the House may rest assured that there is not the least danger on that score. Another objection made by the hon. gentleman is to the freedom from taxation for all time of the railway and its appurtenances. Suppose we had insisted on having the railway taxed; in that case the Syndicate must have told us: "we must have more money, because that item is undefined; We cannot know what the taxation will be, it may be a very heavy tax; we may find municipalities, when established in the North-West, taking care to pay all their expenses from the taxation on the railway." Surely the hon. gentleman would not press that idea, when he complains that we are already giving too much money for the building of the railway. What then does he want? Does he want to drive a hard bargain with these gentlemen? What reason would there be in attempting to cut them down to as small a figure as possible, in order to make the Company a poor company? It is to our interest, and to the interest of the country, that the Company should be able to construct the railway and to work it afterwards, so that they should not come back to us year after year and ask us for new terms. We want once for all to settle the whole question, so as to say to the Company: "This is the settlement; you build that railway for that amount of money and land, and work it, and we must have a guarantee for the working of it for the first ten years after the building of the road, because, if you work that road for ten years, we may be sure that you will work it afterwards, as there will, by that time, be population enough in the country to secure a profitable trade for the road." More than that, I say that Parliament and the Government must show the Company that they are not our enemies, but that they are the friends of the country, and that we must treat them in the best way possible, taking into consideration the interests of the country at large. If we starve them now by giving them a small subsidy in land and money, and then tax them after they have built their road, the result will be that they will come to us afterwards and say: "We cannot go on." We do not want that; we want a strong company that will be a credit to the country, and be competent to carry forward that great national work, the Pacific Railway. The fact is, this Company is called upon to do what was expected to be done by the Government itself. And what was expected of the Government? That we should make this a good road, and work it. But the country became apprehensive that we could not do it without running deeply into debt. In the meantime we have found contractors—men of means and well-known men—ready to build this road for less than we