mulating indebtedness of the country, not for the prosecution of public works that were going to give an impetus to our industries, but merely to enable the ordinary expenditure of the country to be met, they failed. But when all this was changed, the aspect of affairs in relation to this work was also changed. Under the previous condition of things my hon, friend opposite could not obtain offers in response to the advertisements which he published all over the world. The hon, gentleman might fairly assume that we could not obtain any offers either. But as I say—When under a changed policy, and when the Government had successfully grappled with the most difficult portions of this great work, and shown to the capitalists of the world, unthe most difficult portions of this great work, and shown to the capitalists of the world, under the authority of this House, that one hundred million acres of land were placed at our disposal for the prosecution of the undertakings that we were not afraid to go on with its construction, or afraid to show that the construction of the railway was a work capable of fulfilment; when we proved to the capitalists of the world that we ourselves had some confidence in this country and in its development, and that we were prepared to grapple with this gigantic work, the aspect of affairs was wholly changed. Well, sir, under these circumstances the Government submitted their policy to Parliament, and they were met by a complete change of front on the part of the Opposition in this House and the country. The men who had for five years declared that they were prepared to construct the Canadian Pacific railway are a sable. The men who had for five years declared that they were prepared to construct the Canadian Pacific railway as a public work, the men who had pledged themselves to British Columbia to construct it as a public work, and who had in this House, in every way that men could, bound themselves, called a halt in order to obstruct the Government, when we took the only means by which we could remove the difficulty which had prevented the hon, gentleman obtaining any offers in reply to the advertisement that he had sent all over the country. I hold the advertisement in my hand. It was outlished on the 29th May, 1876, and it says that "they invite tenders to be sent in on or before January, 1877, under the provision of the Canadian Pacific Railway Act of 1874 which enacts that the bontractors for its construction and working shall receive lands or the proceeds of lands."

Then it goes on to say that "the proceeds of the lands at the rate of 20,000 acres and cash at the rate of \$10,000 for each mile of cash at the rate of \$10,000 for each mile of railway constructed, together with interest at the rate of four per cent for twenty-five years from the completion of the work on any further sum which may be stipplated in the contract, shall be paid," and that "the Act requires persons tendering to state in their offer the lowest sum, if any, per mile upon which such interest will be required." That advertisement was published all over the world, in Great Britain, in this country, and I presume in the United States, and to it no response was made. I believe under the circustry. sponse was made. I believe under the cir-mstances to which I have adverted that

s matter from a better position. THE INITIAL NEGOTIATIONS. I will frankly state to the House that one of the causes that led to the great change in the public sentiment in relation to railway enterprise in the North-West was the marked and wonderful success that was bablished to the world as having resulted the world as having repeated the from the syndicate who had purchased the st. Paul, Manneapolis, and Manitoba railway. The statements they were enabled to publish thowed not only the rapidity with which railway construction in private hands could be carried on, but it showed the value of the static lands in the North-West, and the exit to which they could be made valuable for e construction of such lines. It attracted on of capitalists in relation to en-of that kind to a degree that had a marked influence indontitedly upon the mind in relation to this question. I further frankly state to the House, bewe have nothing to conceal, that when stermined that it was desirable for us to se determined that it was desirable for us to sk intending contractors and capitalists on that terms they would complete and take ver the road, we placed ourselves in communication with all the parties whom we had my reason to suppose would have any intendent to contract for the purpose of getting heir lowest possible offer. As my right hon, riend has stated, Canadian and American capitalists made proposals for the construction of the emaining portion of this work. The Government proposed to complete the line from hunder Bay to the Red River, and the contracts that were placed in British Columbia. Thunder Bay to the Red River, and the contracts that were placed in British Columbia, and to carry the line from Emory Bar to tide twater at Port Moody, the barbour sefected by the hon, gentleman opposite as the best terminus. We asked the parties upon what berninus. We asked the parties upon what berninus bey would undertake to build the remaining portion of the line from Nipissing to Thunder Bay, the distance being about 650 mailes, and also the line from the Red River westward to Kamloops and take over and the whole road.

Mr. MACKENZIE—Will you place a copy to these propositions upon the table?

these propositions upon the table? Sir CHARLES TUPPER—Yes, I have no pjection to do so, but it will give the hon.
utleman no additional information.
Mr. MACKENZIE—And the names of the parties to whom they were made?
Sir CHARLES TUPPER—I may say to hon, gentleman that these were not of-ally communicated. Mr. MACKENZIE—Were the offers not de in answer to a public advertisement Sir CHARLES TUPPER—They were not,

and I think we could have taken no better means of defeating the object we had in view than in adopting the course that the hon. gentleman had taken. It was enough to deter anybody from looking at us, seeing that he had stated on the floor of Parliament that no offer could be obtained. We took a wiser plan, which has been crowned with success. By placing oursolves in communication with parties who selves in communication with parties who were likely to make propositions, we have the pleasure now of laying before the House a pro-position to which, in its character and des, I shall invite more closely the attention ent, and it amounts in round figures to

s been spent ? Sir CHARLES TUPPER—It is every dolof expenditure that will come out of the reasury of Canada for the existing contracts, and for the completion of the road that to be built by the Government. I ay say to the House that we we submitted the estimate of the life chighness. It was published in a supplied which was used in the debate. The was literally and specifically correct, for sted to the House that in the position the lovernment then were, with this gigantic work in hand and obliged to deal with it as a lovernment work, we felt compelled, after constructing the road to the Red River as a irst-class road, which we had carried out in or the country, and be in the first instance a colonization road. The House will remember. that that the total estimate was for \$84,000,000 for the work done in the mode in which we proposed to deal with it. That included \$80,000,000 as the portion of money required for the road, and the money expended upon

CHARLES TUPPER-Yes. I may that this estimate which I have laid in the table differs in some measure from estimate laid upon the table last year. I tell you trankly why we stated that we made our calculations upon the outside mates. We determined not to be in a tion to have to say to the House that the

estimates upon which money had been voted for the construction of the railway had been exceeded. Mr. MACKENZIE—Which contracts?
Sir CHARLES TUPPER—All the tracts between Thunder Bay and the

Mr. MACKENZIE-Does the hon. gentlemr. MACKENZIE—Does the hon, gentleman say that he prepared these contracts or that they were prepared in his time?

Sir CHARLES TUPPER—I say that we twice postponed the advertisement in order to get the work specified.

Mr. MACKENZIE—What I wish to know

is whether the specifications were changed between the issuing of the tenders and the time when they were received. Sir CHARLES TUPPER—All I can say sir CHARLES TUPPER—All I can say is that before we sent out the specifications, or entertained tenders at all, in addition to the time that elapsed between the change of Government and our entry into office, we twice extended the time for receiving tenders, so that the specifications might be made sufficiently accurate. This estimate that is now prepared by the present engineer, and which I have laid on the table of the House, of \$28,-000,000, covers all the money that has been spent up to the present time, and all the money that in our judgment, in the light of the work, that is now proceeding will be required to complete it as required by the contract. The amount that is put in for engineering, apart from the construction, is \$1,600,000, and I draw that as a distinction between the three millions of dollars extending over the whole range of the Canadian Pacific railway generally and that which has no relation whatever to the cost of this particular work that we are now handing over. They have no relation in this sense, that they do, not appertain to the construction of that particular work.

Mr. BLAKE—They were part of the expenses of finding the route on which the road was to be built, and therefore part of the cost

penses of finding the route on which the road was to be built, and therefore part of the cost of it.

Sir CHARLES TUPPER—If the hos. gentleman will look at the Canadian Pacific Railway Act of 1874 of his hon. friend (Mr. Mackenzie), he will find that it distinctly states that these surveys are not necessarily to be paid for by the parties entering upon the contract.

THE PRESENT BARGAIN. I will now draw attention to theestimates of the contract as laid on the table of the Mouse. It amounts to \$78,000,000. I may state that suppose the contractors were to change the read, suppose they were to go north of Lake Nipigon instead of south of it, and add fifty miles to the length of the road, they would not receive an addition.

Sir ALBERT SMITH—Suppose they shorten it?

the time had come when we might deal with has always considered these terms inadequate to secure the construction of the Pacific railway. The hon, gentleman on the platform in my presence declared we might as well offer \$30 as \$30,000,000 and 50,000,000 acres of land to secure the railway. From that I now come to the proposition of 1874, and what does that show? The hon gentleman got Parliament to rectal position of 1874, and what does that show? The hon, gentleman g of Parliament to vote him for the construction of 2,627 miles of the through line from Lake Nipissing to Burrard Inlet, for 85 miles of the Pembina Branch, and for 85 miles of the Georgian Bay Branch.

Mr. MACKENZIE—I was not aware that hat Act declared Burrard Inlet to be the

Sir CHARLES TUPPER—The hon. gen Sir CHARLES TUPPER—The hon, gentleman ought scarcely to interrupt. On this 2,797 miles, including the main line and branches, he got voted—not by estimate, but by authorityfof a statute—the sum of \$27,970,000, and he also got authority to give 20,000 acres of land for every mile of that distance, which amounted, besides the guarantee, to 55,940,000 acres.

Mr. BLAKE—Why do you capitalize that sum?

Sir CHARLES TUPPER—I do not capi-Sir CHARLES TUPPER—I do not capitalize it all, but it would have to be paid in money, as the other is paid. Let the hon. gentleman apply that principle to the \$25,000,000 we are to pay the syndicate, and he will find it means a very much less sum. The hon. gentleman will find that by the terms under which Parliament in 1874 authorized the late Government to the late Government to secure the construc-tion of the railway, the amount to be paid in cash was on the guarantee capitalization principle \$48,947,500, which, with 55,940,000 acres of land, at \$1 per acre, would make \$104,887,500.

It being six o'clock the Speaker left the

Sir CHARLES TUPPER, resuming, said-Mr. Chairman—When the recess took place I
was dealing with the question of the amount
that Parliament had placed at the disposal of
my hon. friend, the then leader of the Government, for the construction of the Canadian Pacific railway, and I find that I have made slight mistake, which take the earliest oppor-tunity of correcting. Letated that the dis-tance from Nipissing to Burrard Inlet was 2,627 miles. I must add forty miles to that tunity of correcting. I-stated that the distance from Nipissing to Burrard Inlet was 2,627 miles. I must add forty miles to that distance in computing the amount which after the Act of 1874 Parliament placed at the disposal of the leader of the Government for the construction of the railway, because you will remember the then Government located the terminus of the railway not at the Callendar statiou on Lake Nipissing, where it is now located, and where it was originally located by the former Government, but, forty miles south of that point. Therefore, under that Act the hon, gentleman would not only have been obliged to expend \$104,887,500 at the lowest computation, but to provide for the construction on the same terms of forty miles more to bring the railway down to the terminus as located by the then Government. That will add \$400,000 in cash, and reckoning the land and the guarantee \$1,500,000. Now, sir, having shown that Parliament had placed at the disposal of the Government of my right hon. Friend Sir John Macdonald, in 1872, \$34,700,000 for the construction of the work, that Parliament had placed \$104,837,500 at the disposal of the leader of the Government in 1874, to which we must add the \$1,500,000 to which I have just referred, I now come to the present contract which is laid on the table of the House for its consideration. The total amount expended and to be expended by the Government on the sections to be handed over to the company, including everything, is \$28,000,000. The Government have agreed to pay, in addition to the \$28,000,000, \$25,000,000 and \$25,000,000 acres of land, making stotal subsidy in cash of \$53,000,000, and in land, estimating the 25,000,000 acres at \$1 an acre, of \$25,000,000 acres of land, making stotal subsidy in cash of \$53,000,000, and in land, estimating the 25,000,000 dovernment that have previously been sanctioned by Parliament. The matter, then, stands thus: Under the contract of 1874, \$104,887,500,000, with \$1,500,000 added, to brung the roaddown to the point at which

THE VALUE OF THE LAND. I will now draw the attention of hon. gen-demen opposite to an authority with reference

of the contract as laid on the table of the Mouse. It amounts to \$78,000,000. I may state that suppose the contractors were to change the road, suppose they were to go north of Lake Nipigon instead of south of it, and add fitty miles to the length of the road, they would not receive an addition.

Sir ALBERT SMITH—Suppose they shorten it?

Sir CHARLES TURFER—If they shorten it, I shall be very glad to find that they do, and they will receive the amount stated in the contract. I will now take up in the contract all these propositions in the order in which they have been voted by this Parliament. I will take up the proposition of 1872. It was a cash subsidy of \$30,000,000 for the main line and a land grant of 50,000,000 acres, with 20,000 acres per mile for the Nipigon branch. If you estimate the land at some particular value for the purpose of comparison, call it a dollar an acre, Parliament then voted in land and money a subsidy of \$34,700,000. How was that proposition treated? Why, sir, as I have stated, a company was formed. A contract was made with them, under the terms of which they were clothed with all the powers and means that we could give them to command the money markets of the world, and they could not do it. The hon, leader of the late Government 1 think they dould not do it. The hon, leader of the late Government by Parliament on the authority of his own engineers, with all the powers and means that we could give them to command the money markets of the world, and they could not do it. The hon leader of the late Government by the proposition. He has always considered these terms inadequate to secure the construction of the Pacific ocean; and yet the present proposition is a market late of the late of the late Government by the proposition of 1872, 1874, the hon, gentlemen opposite an authority as to the cost of this work about to be undertaken that I think the powers and means that we could give them to command the money markets of the world in the proposition. He has always considered these terms i be required for the road from Lake Superior at Thunder Bay to the Pacific ocean; and yet the present proposition secures the construction of the entire read within ten years from the first of July next, from Lake Nipissing to Burrard Inlet, at a cost to the country, at the estimate hon. gentlemen opposite placed on the lands, of \$78,000,000. One would have supposed the hon. member for Lambton would have stood aghast at such an estimate as \$00,000,000 for the portion of road mentioned, and would have abandoned it as beyond the resources of Canada. But as Prime Minister, and weighted with the responsibility which rests on such a high officer, he felt he must not shrink from his duty. He said—"We frankly recognize the failure of the attempt to give a fictitions value to the lands in order to get English capitalists to take up the railway, but we also frankly confess the necessity of building the railway by direct money subsidies or a combined system giving both money and land." The hon. gentleman gallantly performed his duty, and did not shrink from the responsibility, arduous and responsible as was his position. He continued:—"We propose to give \$10,000 per mile and a grant the same as that proposed by the late Government, of 20,000 acres, and we invite intending competitors to state the amount for which they will require the guarantee at four per cent, in order to give them what they may deem a sufficient sum wherewith to build the road. We know that somethink \$10,000 per mile and 20,000 acres of land, supposing they realize on an average \$1 an acre, will not build the road. It would

what they may deem a sufficient sum wherewith to build the road. We know that some think \$10,000 per mile and 20,000 acres of land, supposing they realize on an average \$1 an acre, will not build the road. It would more than build it in some parts, but from end to end it is evident it would not build it. The Intercolonial railway will cost \$45,000 a mile, traversing on the whole a very favourable country. The Northern Pacific railway, in the accounts published by the company, has cost so far as it has been carried, that is to Red River, \$47,500, or \$48,000 per mile in round numbers. That road traverses almost wholly a prairie region easily accessible, and where materials were easily found, and is altogether quite as favourable as the most favourable spot of any part of our territories—with this advantage, that it was much nearer to the producers of supplies than any portion of our line except that on the immediate borders of the lakes. The Central Pacific I will not touch as the most favourable on the fivourable to this country. Now I am bound to say I never felt more grateful in Parliament is evidence to show not only that the proposal which I have the honour to submit to Parliament is evidence to show not only that the proposal which I have the honour to submit to Parliament is entitled to the favourable consideration of the Opposition, not only that it is ment is entitled to the favourable consideration of the Opposition, not only that it is evidence to show not only that the proposal which I have the honour to submit to Parliament is entitled to the favour

the country would not be discharged, but just commencing. The hon, gentleman went on to say:—"Supposing it only takes the minimum amount estimated by Mr. Sandford Fleming, viz., \$100,000,000, you have a pretty good idea of what it must cost the country in the end. When you double the debt of the country you will not be able to accomplish the borrowing of the sum of money that would be required to build the road, paying the attendant expense of management and the debt, interest, and everything else connected with it." The hon, gentleman opposite last session also enforced very strongly upon our attention the fact that if we went on with this work as a Government work, and stood pledged in the face of the country and of the financial

to the berms. This may be necessary, as the position now takem by the Opposition, as may be assumed from that takem by the Offolt, it the hand as I per acre, with or extended the hand of the hand as I per acre, with or established, but the hand as I per acre, with or established, but the hand as I per acre, with or established, but the hand as I per acre, with or established, but the hand as I per acre, with or established, but it will not do for the leader of the Opposition (Ar. Blake) when we were dead to be a datement made by the leader of the Opposition (Ar. Blake) when we were dead to a statement made by the leader of the Opposition (Ar. Blake) when we were dead to a statement made by the leader of the Opposition (Ar. Blake) when we were dead to a statement made by the leader of the Opposition (Ar. Blake) when we were dead to a statement made by the leader of the value of the land as \$2 and an acre, that was in 1876—and the hon, gentleman will find his remarks on the subject of the land of the opposition of the opposi world to an expenditure of eighty to a hundred million dollars for the construction of the railway, we could hardly be surprised if it increased the cost of the money we were obliged to borrow in the money markets of the world. The hon gentleman said, "If you add six per cent, upon the minimum amount to the existing obligations of this country, you will have, in addition to our present annual birdens, six millions of dollars, which, added to the cost of management, would probably make a continuous drain of twelve millions of dollars before you would have a cent to apply to the ordinary business of the country." A rather startling ground for the hon gentleman to take, but one which commended itself to all those who

essential to the progress of Canada; althoughthat work is to be completed on a purely con mercial basis—these gentlemen, turning their backs as they have been obliged to do upon their own declarations, again and again re-corded, still complain of the smallest details in some sections, perhaps, would meet expenditure, but, in the early days, if not for a long time, he (Mr. Blake) believed the road would have to be run at a of the arrangement, which, happily, we have been enabled to place before Parliament. But for those remarks of hon, gentlemen opposite which have led me-to believe to the contrary, loss." I know that this is an authority for I should have thought that this was a measure support not only of those who usually sup-port the Government, but of hon, gentlemen opposite, who stood committed by their votes and by the strongest possible statements of their leaders to the support of terms for the construction of this work much less favourand I trust that in submitting such criticisms as in the interests of the country every Government measure of this kind ought to receive the hon, gentleman will not lose sight of the position he took in criticising our proposals twelve months ago. I will again revert to a criticism with relation to the cost of a more valuable; character than that of the leader of the Opposition. No person perhaps esteems the hon, gentleman's ability, certainly as a special pleader, higher than I myself, or his general judgment when he gives a question the law, candid, and unbiassed examination which a question like this under consideration deserves but does not always receive. But I will give the House an opinion which I estimate more highly than that of the leader of the Opposition, and that is the opinion of the gentleble than those embodied in the present con THE PERSONNEL OF THE SYNDICATE. But, say these hon. gentlemen, "we don't like the company"—a remark most libelious and insulting to the gentlemen who compose

Mr. MACKENZIE—Who said so? Sir CHARLES TUPPER-The organ on. gentlemen in this city.
Mr. MACKENZIE—Do you mean the tion, and that is the opinion of the gentle man who, for five years as leader of the Gov ernment of this country, dealt with this question, and was daily and hourly conversant with all its details—I mean the hon. leader of the late Government. After all his experience, and after the experience of a year in Opposition, as well as of five years of administration, he was detailed.

ministration, he undertook to give to the House his estimate as to what the road would cost. He put it at \$89,000,000. Press is their organ or speaks their senti-ments—a journal that attempts to throw obloquy upon gentlemen of the highest stand-ing in Canada and in the British Empire. same and four per cont. In order to give them
are the to build the road. We know that some
think \$10,000 per mile and \$20,000 acres of
the state of THE MERITS OF THE BARGAIN. I trust I have given to the House sufficient The gentlemen who have undertaken this work stand before the people of this country

company embraces capitalists, both of our own and of other countries, who are men of the highest character, men whose names are the best guarantees that could be offered the people of Canada that any enterprise they may undertake will be successful. With regard to the terms of the contract, I do not health to any that ne

greater injury could have been inflicted on the people of Canada than to have made the conditions of the engagement so onerous that instead of insuring their successful fulfilment, they would have led to failure. I say that everything that men could do for the purpose of obtaining the best terms in their power has been done, but our idea has been that we owed it to Canada to make a contract that was capable of fulfilment, to give those gentlenten a fair contract, and afford them a fair opportunity of grappling with this great, this gigantic enterprise that we were so anxious to transfer from our shoulders to theirs. And I would ask this House whether they think this contract, involving the great importance that it does, is one to sit down and cavil over, and to drive the most difficult bargain that could be driven, and perhaps lead to what occurred when we made the contract in 1873, with terms largely in excess of those that this contract contains? But that was not a contract that was capable of fulfilment, because the parties were unable in the then conditions of the country to raise the capital that was necessary. Now we approached this question in that spirit, and I would ask every member of this House if we should not be unworthy of representing the Parliament of Canada in the discharge of the public business if we had not felt in the interests of Canada that this arrangement should be one that would obtain the command of the capital that was required, and that would enable the parties engaged in this great work to make it thoroughly successful, as I trust it will be. We have reason to know that all that skill and energy and a knowledge of precisely such work will do has been done in order to make this a successful contract; and I would ask hon, gentlemen opposite whether we could have had this contract with the strongest body of capitalists that could be formed in the city of London? We would have had leading the engineers with extrawagant ideas, totally ignorant of the work and the construction of railway THE CRITICISM OF THE PRESS.

I may say that I have been greatly gratified at the criticisms that have been bestowed upon the proposition we are submitting to Parhament. Nothing has given memore confidence in the soundness of our position, and the impregnable attitude we occupy in Parlament or out of it, than the criticisms to which this scheme has been subjected by the press as far as I have seen it. First I may speak of the Ottawa Citizen. The editor has evidently handed over his editorial columns not only to a hostile hand but to a disingenuous writer, who was not willing to put the facts fairly before the country; and this strengthens me in my conviction of the soundness of the proposition we are submitting to Parliament. If that contract contained objectionable features to which the attention of Parliament might be called, and that were sufficient to condemn it, where was the necessity of the person who wrote the criticism in the Citizen misstating every clause in the contract that he commented upon from beginning to end? I say nothing has more strengthened my conviction in the soundness of this measure than these criticisms of the Ottawa Citizen, from which I had hoped better things, or from the Free Press, from which I did not expect any different treatment, or the Globe newspaper of Toronto; and when I take up these papers and find that every critisism, every serious ground of attack, is based upon misstatements of what the contract contains, I am confirmed in my opinion that they found that contract unimpeachable, and that a fair and candid criticism would compel them to give their adhesion to it. When I look at these criticisms I am reminded of the position a gentleman would occupy who had made a contract for the construction of the great Eastern—an enormous ship, greater in extent, and involving a greater expenditure, than any other ship that ever was built in the world—I am reminded of what would be the position of a man who, after building a ship, and finding it complete in every respect, would be t THE CRITICISM OF THE PRESS. matter what their resources might be, a per-fect failure on their hands, and worse than that, you would have had discredit brought that, you would have had discredit brought upon the country in consequence of the parties who had purchased their bonds failing to obtain that interest which they justly expected from their investment. Whether you look at the American, or the Canadian, or at the English, French, or German gentlemen associated with this enterprise, I believe that Canada has been most fortunate, and the Government has been most fortunate, and the Government has been most fortunate, and the Government has been most fortunate, in having this work placed in their sir, that when we come to Parliament with a great measure like this, when we occipy a position in respect to the probable completion of this great work which twelve months ago the most sanguine man in this country could not have hoped we would occupy, these hon, gentlemen hesitate. Although we have found gentlemen with great resources at their command to go forward with an enterprise so essential to the progress of Canada although

Union Pacific railway—and I would ask him whether the capital of that company was larger, or whether the security given by them for the construction of the road was larger, than is now obtained with this company. He may examine into the carrying out of any of those great works, and he will find that the security that the Government had was confidence in the parties engaged in the projects that they would carry them out to completion. The hon, gentleman will find that under this arrangement we have the best guarantee that these works will be pushed rapidly to completion under the contract now proposed. The contract requires the parties to complete the road in ten years, that in July, 1891, it shall be carried to completion.

THE POSITION OF THE OLDER PRO-

THE POSITION OF THE OLDER PRO-

Sir CHARLES TUPPER—Well, perhaps the Cuizen is now the organ of hon. gentlemen opposite. I know that in the short space of twenty-four hours they were able to take the Ottawa Times out of our hands by some means—a "human device" I believe they called it. But, sir, I do not feel surprised that hon. gentlemen reject with scorn the imputation that the Free Press is their organ or speaks their sentinot afford for the construction of a provincial railway, principally for the purpose of tap-ping the Pacific trade, and that Quebec had ping the Pacific trade, and that Quebec had stretched out her arms towards the great West as far as this city for the purpose of securing that trade, and the question was how soon that expenditure is to be made available. Her road is paying as it is, what Quebec expected it should pay—some fraction of the interest on its construction. But they also expected it would bear the great trade of western traffic into her principal cities, and bring prosperity to her people; but unless some through connectaon is made, these expectations on the part of Quebec would not be realized, if the eastern end was not constructed until the western was finished, and he hoped they would be alive to enjoy it?" I will not say that the hon, gentleman was not shedding tears of sympathy when he was bemoaning the unhappy fate of Quebec; but, where are Nova Scotia, New Brunswick, and Prince Edward Island, and where is the Province of Outario? Why, they stand in a position to-day that a year ago would have any outlet of the seep novinces would have easy communication with the great North-West to within the great North-West to rive with the great North-West to me, possible of attainment. What is of more vital importance to this province and the cities of the cities o if the eastern end was not constructed until the western was finished, and he hoped they would be alive to enjoy it." I will not say to Duluth 410 miles, and from Duluth via Emerson to Winnipeg 464 miles, making the total distance from Callendar station to Winnipeg 1,168 miles. That was the shortest route which, twelve months ago, the Government were able to hold out any expectations of obtaining. Now we propose to secure the construction of a through line, to be commenced on the 1st of July next, which will shorten that distance by 111 miles.

Mr. BLAKE—That is, 1,050 from Winnipeg to South East Bay. peg to South East Bay.

Sir CHARLES TUPPER—It is 1,006 miles from Nipissing along Thunder Bay to Winnipeg, if you take the lake, or 1,057 miles by rail—the distance from Callendar

station to Linkoping, the station where the line will strike the Thunder Bay branch, 686 miles, and that from Linkoping to Winnipeg being 371 miles, so that the House will see we have the shortest possible line by which to reach Winnipeg. It will also see that the distance from Montreal to Callendar station is 354 miles, while the distance from Toronto by the Gravenhurst line is 226 miles, or 128 miles less than that from Montreal. niles less than that from Montreal.

THE CONSTRUCTION STANDARD. I may now advert for a moment to some of the objections which have been urged against this proposition. I am told the standard is too low, that the standard of the Union Pacoi low, that the standard of the Union Pacific railway is a very unfavourable standard, and that we ought to have selected something higher. Well, it is very well after having obtained the opportunity of making a contract to make severe stipulations, but when I have stated to the House the terms under which these parties have undertaken to conwhich these parties have undertaken to construct this road, I think you will agree with struct this road, I think you will agree with me they were entitled to as favourable consideration as we could give them. I should like to know what position the Government of Canada would have been in which, after having offered \$\$4,000,000 in 1878 to the company of which Sir Hugh Allan was the president, should ask the gentlemen who were undertaking to do the same work for \$78,000,000 to make the terms more onerous than those of the previous contract. If any hon, gentleman will turn to the contract with the company of which Sir Hugh Allan was president, he will find that it provided that the standard of construction and equipment of the Canadian Pacific railway should be the Union Pacific railway, and therefore we have gone as far as any member therefore we have gone as far as any member of this House or any fair-minded man will say of this House or any fair-minded man will say we ought to go with reference to the standard. But what is this standard? Why there are half-a-dozen leading roads in the United States to-day of which the standard is mor objectionable in grades and curves than that of the Union Pacific; therefore I think there is not much ground for eavil in that matter when the Union Pacific was built, the Government, which gave a mach built, the Government, which gaves a week built, the Government which gaves a week built. ernment, which gave a much greater amount of aid to it than we are giving to this read agreed that the standard of the Baltimore and Ohio railway should be put in the contract as the contract of the Union Pacific, and the Baltimore and Ohio railway, as everyon, knows, is a road that is doing an enormoutraffic, and is regarded as a first-class road. The Portland and Ogdensburg railway, and half a dozen other American lines, have also a standard that cannot compare with the standard we have selected. I need not detail the House, therefore, by trying to show that it would have been utterly unreasonably for the Government of Canada to exact from these gentlemen, who were agreeing to continue the contraction. these gentlemen, who were agreeing to construct this road at so much less terms that struct this road at so much less terms that were agreed to in the Allan contract, a higher standard than we have done. But we have better guarantee than could be inserted in the contract of the high standard of the road and that is, that these gentlemen are not constructing the road for the Government of Canada to work, but they are constructing as their own property; and when it is constructed, they have to furnish the means emaintaining and operating the road; and every disadvantage of construction will fail upon them, and not upon us. And, sir, what would have been my position in demanding excessive terms in relation to the standard of the road when they had in their hands my own statement, the statement of THE SECURITY.

It is stated that the security of one million dollars for the carrying out of the contract is too small. They say that a paid-up capital of five millions of dollars within two years and a deposit of one million dollars is too small. My opinion of security is this—that provided you get the parties who are most likely to deal successfully with the matter, the less security you demand the better, because in proportion as you lock up the resources of the party, the more you decrease his power to carry on his work successfully.

Mr. BLAKE—In order to improve the situation, let us strike out the clause about the million dollars.

Sir CHARLES TUPPER—Of course I am speaking within a certain latitude, and I would ask the hon. gentleman to turn his attention to what was a somewhat similar tention to what was a somewhat similar work constructed on this continent—the Union Pacific railway—and I would ask the land at a dollar an acre? I think, therefore, I need not detain the House by dealing with the question of the standard of the road.

THE SUBSIDY DIVISION. Nor, sir, will I detain the House very long nor, sir, will I detain the House very long upon the other point that has been raised, and that is the mode upon which the money is being divided. I have shown the cost of the Pembina branch at the lowest rate at which we can now put it. If hon gentlemen have paid any attention to the deplorable description that the late First Minister gave us a very ago as to the difficulties they would us a year ago as to the difficulties they would have to surmount between Red River and the foot of the Rocky Mountains, I think they will come to the Rocky Mountains, I think they will come to the conclusion that the amount is not extravagant. I call the attention of the House to this fact. The Government want that road pushed through Red River to the foot of the Rocky Mountains as fast as it can

be done.
THE SYNDICATE'S PROGRAMME. THE SYNDICATE'S PROGRAMME.

The syndicate intend the road to be completed to the foot of the Rocky Mountains at the end of three years from the present time. If it be thought a gigantic work to build 300 miles of railway by this powerful syndicate in a year, I may tell hon. gentlemen, for their information, that within the last year a few of these gentlemen completed between 200 and 300 miles of railway themselves, through a somewhat similar countw; and therefore it is not an extravagant statement for them to make in stating that they intend to construct to the foot of the Rocky Mountains in three years, and to build 300 miles of this struct to the foot of the Rocky Mountains in three years, and to build 300 miles of this road during the coming season. What does that involve? It involves the expenditure of an enormous amount of capital at the outset. The very moment this contract is ratified by people; ction is he part realized, realized, red until ped they not say remarks. man was n he was bee; but wish and a is the rest hon. leader of the late Government about these lands and the difficulty of getting them sold, it is not unreasonable to suppose that with all their energy and minds will be relieved to know that we have made the very best division of the money, if the enterprise is to prove anything but a failure. There is a great expenditure of money to be made at the very outset in bringing people to this country. I regard this proposal to secure the construction of the Camada Pacific railway by the agency of this company as of the most vital importance from the point of view that, instead of having to struggle with railway companies in competition for immigrants, we will have a gigantic railway company with all its ramifications in the United States, France, Germany, and the British Islands, co-operating with the Government of Canada. But all that will involve a present outlay of a very large sum of money by these gentlemen. The only hope they can have of having any means of sustaining the railway, if it is constructed, is sby getting population as rapidly as possible into the fertile valleys of the North-West, and thus furnish the traffic which alone can support the operation of this railway.

THE TAX EXEMPETONS

know how to make it shortest, co its early completion. The Govern give the matter that personal dir within the power of gentlemen with such works as are the men syndicate. In my judgment, the not necessary there should be to this Act provides, that is, that to in-Council should have the right in-Council should have the right because I believe their own inter-pel them to make the best possi-lative have provided that by a

feature is the exemption of taxation. I have no hesitati would have been very glad if the contract, if it were on strong prejudice that exists on that question. But there we had to consider. One w best bargain we could for Co being of any material advantage money markets of the world. pectus was placed on those ma one will understand that the spect to the taxation is not slightest degree from that in last year. When we were constructed to the same than the same that the spect to the same that th as a Government work, when was constructing it by direc agency, no taxation could have these lands until they were they were occupied. pality, or corporation of any or that could be created ! pose the slightest tax on those were sold or occupied : and were sold or occupied: and sold or occupied now, that m liable to taxation. I will not the question of the road itsel from taxation, because hon. only to turn to the laws of th The policy of the Government States has always been, that to of railway, the roadway, the stations, everything embrace railway, should be exempt One of the judges of the United States declared that lines of road were nation public easements, that as the benefit and advancement country, they should not be taxation, State or municip therefore, only followed the has prevailed in the United which hon. gentlemen opposincumbent upon us. What w We were asking these gent forward and take a position shrank. I do not hesitate portant as the enterprise w ment felt it was one of enorm and trembled almost when th great cost of construction and the road when constructed when we were shifting from to the shoulders of a private c responsibility, I ask this Ho to tell me whether they do no far as we could, we ought to gentlemen in as favourable a nstruction of the road as w selves? That is all we have d have said before, the momen utilized they become liable have been told that the lands Company being free from taxa Mr. MACKENZIE—They from taxation. Mr. BLAKE-They were large landholders.
Sir CHARLES TUPPER

owned in large blocks. Then

half as bad.
Mr. BLAKE—No: this is m
Sir CHAPLES TUPPER taken care they shall not own We have met the difficulty, but, as I said before, these sell their lands. It is impo

the road without bringing a

the country as rapidly as pos

this is a gigantic monopoly-free the lands from taxation but you create a monopoly." strong point in our case, it is the terms of the Allar 54,000,000 acres of land you call it locked up, hands of a company. Unde only 25 000,000 acres of lar and the terms of the Canada Act of 1874, contractors to have their lands in of twenty miles square. contract the Government hof every alternate mile over the and along the whole line of there be any monopoly? Verms of the late Government ernment was bound as the Gov United States was bound in Union Pacific railway to abstrant are under \$2.50. Under however, we are free to give a public interest warrant it. N public interest warrant it. No hon, gentleman opposite press upon us than that of not sellin low \$2.50 an acre; but we say only too glad to plant a free every acre belonging to the Go hold on the monopoly point of 54,000,000 acres being in bleet of n blocks of twenty miles on read, instead of our being bour less than \$2.50 an acre, we can settlement the 29,000,000 acr ment retains, to utilize it in the country, over and above the the syndicate, or can sell at parainmum fixed by the terms of about the terms of a year ago? solution Parliament passed he propriation of 100,000,000 acres see how absolutely Parliament at the disposal of the Governor at the d at the disposal of the Govern any way possible to secure the of the railway. Instead of over to a monopoly, as it those 100,000,000 acres, we h in our own hands, to be used the interests of Canada by freamd by sales to return to usquired to be paid under the csyndicate. As I said befortion of freedom from the lands is not new. In 187 massed in the United States for passed in the United States for the International Railway C consolidated under the name national and Great Northern hany, which provides similarleen, enacted as regards other panies in various States of the lands of the company shall taxation. The United States has given great land grants to me what is called the "head grant in one case a company and the lands of the company shall the company shall be companied by the company of the in one case a company was a select in any part of the pu Texas — that magnificent co has excited the admiration gentlemen opposite — the ful and fertile areas hindrance or any responsibility.

The company received twenty sacres each of the unappropriated State for each mile of railroad will be a state to the company received twenty sacres each of the unappropriated state for each mile of railroad will be a state to the company received the same and the company received the compa or may hereafter be constructed the Act of 1870, "the said comp cessors and assigns, to have the rithe said lands as head rights and necessity of alternating the sessid lands and certificates to be r all county, State, municipal, and for a period of twenty-five moment our lands, however, a become liable to taxation. Und States law they remain free for

years after coming into the private purchasers. There is the kind here. The lands are utilized or sold—and cannot afford to keep them from it will add more to the value of the private in the problem. than would be possible in any they fall under taxation. THE LOCATION. The location of the railway is but under the term of this contion is to be submitted for the a Governor-General-in-council. I tate to say that this company velocities able to locate the road the ernment. They have a more vi-direct interest in putting it thro know how to make it shortest, co