

Algoma Mills and the steam communication to be established on Lake Superior, we may hope, by the close of another season, to have greatly improved facilities for transporting the produce of the West to our Atlantic seaports. And these statements will be received with the greater pleasure at the present time, for the evidence they furnish of the ability and determination of the Company, to whom the construction of this great work has been entrusted, to carry it forward successfully to its completion; and their effect must be to strengthen the convictions in this House and throughout this country that not only is it their intention honorably to adhere to and fulfil the obligations of their contract, but before the time stipulated for the completion of that work shall have expired, the work of construction will be finished, and they will have furnished us this great national highway across this continent through Canadian territory from ocean to ocean. I have also listened with pleasure to my hon. friend's allusions to the benefits that have resulted as seen in the improvement and settlement of the country. We must all contemplate with pleasure the extent and wonderful fertility of the territory that has by this means been rendered available for settlement, the influx of population, and the increase in value of land that has followed, the surprising rapidity with which villages and towns and cities have sprang into existence and grown in population and wealth and commercial importance. These facts must be gratifying to us all; but they may be used by those who are disposed to regard unfavorably this scheme to show that the profits of the Company upon the transaction will be excessive, and argue a lack of prudence in the Government in proposing or assenting to the terms of the present contract. I can only say that it is my hope and wish that any efforts made in that direction, in so far as they are based upon the facts to which I have alluded, may be successful. An examination of this contract shows that it is based upon a principle which I believe it will be universally admitted should form the basis of every business transaction, the principle that contracts should be mutually advantageous to both contracting parties. It will be remembered that at the time when this contract was entered into, the lands of the North-West had but a nominal value, and if the rise in value since has been more rapid than was then anticipated, it is principally due to the fact that by the terms of that contract it became the interest of those contractors to push forward that work with an energy unparalleled in the history of the world. If any hon. member of this House can show that in consequence of the enhanced value of lands in the North-West, or of the growth of railway traffic in the future, the Company will reap larger returns for the work they have performed and the capital they have invested than they expected, such information will be of the greatest value, for it will enable us to show that at the same time and in the same proportion, the same causes will add to the wealth and multiply the advantages that will result to the Government and people of this country. But, Mr. Speaker, whatever differences of opinion may still exist as to the wisdom of the policy pursued in the construction of that great national work, or for the improvement and settlement of the North-West, no reasonable doubt can at this time remain on any mind as to the ability of this country to provide for the expenditure involved, and meet the liabilities incurred in that great undertaking. The year that is past is one in which the events that have transpired, the progress that has been made, and the experience that has been gained, must tend to dissipate our fears, excite our hopes, and strengthen the faith of us all in the future. The past year, Sir, has brought us, as if by magic, close upon the time when the West will become a great and growing market for eastern manufactures, and when our eastern cities will consume in greatly increased quantities the products of the West. It leaves us in the dim early dawn preceding the bright morning of that day

when our people will be able to send the products of both their fields and their factories across the far off Rocky Mountains and exchange them for the gold of the Pacific Coast, and when ocean steamships, in constantly increasing numbers, will come not only to our Atlantic but our Pacific seaports, and bring the tea and sugar, the costly silks, and all the luxuries of foreign lands, and take away the surplus of our products to the markets of the world. Mr. Speaker, reference was subsequently made to the present financial condition of the country. This subject will be dealt with fully and in detail by the hon. Minister of Finance in the Budget Speech. I beg to be indulged while I refer briefly to some points in connection with this subject of more than ordinary importance and significance. The revenue of the past year has been largely in excess of that of 1881, or any previous year, reaching, from all sources, the sum of upwards of \$33,300,000. The expenditure for cost of government, maintenance of public works, subsidies to Provinces, interest on our debt and other ordinary charges, also shows an increase, though not in the same proportion, reaching, including payments on account of sinking fund, upwards of \$27,000,000, leaving a surplus for the fiscal year of \$6,300,000. The returns of the Department of the Interior show receipts from the sale of Dominion lands amounting to \$1,700,000, which, with the sum already named, leaves a total surplus of \$8,000,000 in the public Treasury. The expenditure on public works, including payments on account of the Canadian Pacific Railway and Dominion Lands, approximate \$7,350,000. This amount, which you will note is properly chargeable to capital account, will be provided for by the surplus I have named, and if to the balance of the surplus then remaining we add the payments on sinking fund account, the result will show a reduction for the fiscal year of nearly \$1,750,000 in the net debt of the Dominion. If we take the years 1881 and 1882 together, the expenditure on public works chargeable to capital account will be upwards of \$15,500,000, and this sum will be so far provided for from surplus revenues that the addition to our debt during the two years will not reach \$1,250,000. The opinion has in the past prevailed to some extent throughout this country that the public works which we had undertaken, were of such great magnitude, and their cost so enormous, that a debt would be created involving an annual interest charge, which, in addition to other necessary expenditures, would reach a sum in excess of any we could hope to receive from the ordinary sources of our revenue. The financial exhibit to which I have just alluded will correct that impression if it still exists in any quarter, and not only will its beneficial influence thus be felt at home, but we have evidence to show that the improved financial condition of this country has already exerted abroad a most important influence in our favor, especially on the minds of capitalists in other countries. This evidence we find in the increased value of Dominion bonds. I note that Canadian debentures bearing 4 per cent. interest and maturing in 1904 were quoted at 91 and 93 in January, 1879. The same debentures are quoted at 104 and 105 in January, 1883, an advance in four years of 12 per cent.; and it is also worthy of note that from the relatively low value they formerly possessed they have gradually risen until they occupy to-day the highest place among colonial securities upon the London market. This result is to us the more important at the present time, for the reason that \$30,000,000 of our bonds will soon mature, and as you have already heard, a Bill will be introduced during the present Session to provide for their redemption. This loan upon which we have paid interest at the rate of 5 per cent. per annum can at present be replaced at 4 per cent., and the bonds sold at a premium, effecting an annual saving in interest of upwards of \$300,000. Permit me also to direct attention to another point. The Trade Returns of 1881 show a large increase in the imports and consumption of silks, satins and fancy