

Government was composed either of money paid under a certificate, such as I have read, from the engineer, and an Order-in-Council passed on that certificate—if it be true that no money was paid to them except under a certificate, save this seven and a-half million of dollars, and if the House is satisfied with the statement of Mr. Odgen, the accountant, as to the mode of the expenditure of that seven and a-half million of dollars, then it is established as clearly as anything can be established, that the company has not diverted the money from the purposes of the Canadian Pacific Railway. It has not diverted the money which the country gave it. The country gave the company a large sum of money for these purposes, and it is perfectly proper that they should be called upon to establish to the satisfaction of Parliament that they have expended all the money which they got from the country for the purpose which the country had in view when they appropriated it for the company. I think that is established clearly by the proof which I have offered to the House of the mode in which they obtained money—the only mode in which they obtained it. But there is another way to establish it, and I have, with a view to make it certain, taken that other plan also. It is to show exactly what money they have spent in works of construction, and where it has gone. The question comes, in the first place, what is the main line, and what is its extent? Are they to go beyond the terminal points mentioned in the original bill? The only question is upon the terminal point at Callander station. The House will keep in mind that they were to construct a railway from Callander station to Port Moody, and *operate* it—they were to maintain and run it, and they were authorized by the Bill to establish connections with Montreal and Brockville. I take it—where you ask a company to *operate* such a railway that everyone, who thinks at all about it, will admit that it could not have been intended that the road was to begin at Callander—that there must be connection with Montreal. You cannot begin a road in the middle of the woods and *operate* it from there; although I separate the sections afterwards into that West of Callander and that East of Callander, so that the House may see the separate view of it as well as the

view which I myself take, yet, I think, for the purpose of my argument it is just and proper to say that the road begins at Montreal, because the contract which they made with the country, rendered it absolutely necessary that they should run down to Montreal. It was impossible, and no business man would dream of commencing to *operate* the road from Callander, and it was a consequence which was unavoidable, and foreseen and mentioned, and which may, therefore, be fairly considered, and the eastern section is, in fact, by the terms of the charter, made part of the Canadian Pacific Railway. I will give the figures. Hon. gentlemen may desire to verify them. I have verified them myself by going over them with Mr. Miall, who was the accountant sent by the Government to Montreal for the purpose of inspecting the company's books and who had the most ample opportunity of examining the books. I will read to the House his figures, the correctness of which I have no doubt of whatever. They are as follows:

COST OF MAIN LINE.

WEST OF CALLANDER.

Construction of main line.....	\$43,776,912
Improvements on Government sections	1,241,780
Materials on hand there.....	3,687,729

\$48,706,421

The House knows of course that the company got the works which the Government had constructed between Port Arthur and Red River and these works, at the time they were handed over, had been used for some time for contractors' purposes and were not in very good repair. They put them in good order, and expended on those sections to do so \$1,200,000. Then, of course, there was the equipment. That is a very expensive part of operating the railway, and some doubt, I know, has been felt by those who have taken a keen interest in this matter, whether the equipment which is charged in the accounts was all for the Canadian Pacific Railway, or whether part of it was not for other railways in which the same persons are mixed up; as for instance, the Ontario and Quebec, and the Credit Valley and others. That was a point upon which the most careful enquiry was made by Mr. Miall, and by Mr. Schreiber, the Government