

section was \$8,000 per mile cash. The steel rails which are provided by the Government, calculating 88 tons per mile would cost \$8,000 per mile, thus making the total cost per mile \$9,000, or, \$900,000 for the whole section of 100 miles, while on its completion the Railroad would be owned by the Government. Now, according to Section 9, clause A, of the contract, the Syndicate is to receive from the government for the \$900,000, the actual cost of the road paid by them, cash \$10,000 per mile, (or \$1,000 a mile more than they pay for it), or \$1,000,000 in all, and a land grant of 12,500 acres per mile or 1,250,000, which at \$8.00 per acre would amount to \$8,750,000, or, in all a grand total of \$4,750,000. In other words for their \$900,000 the Syndicate receive—the road itself, and \$4,750,000 as a bonus for their kindness in taking it off the country's hands. At the same rate of construction, the central section of 1,000 miles at \$9,000 per mile would cost \$9,000,000 in cash, but the Government would own the road, which would always be an asset and supposed to be value for its cost. Under the contract the Syndicate get from the government \$10,000,000 in cash (or \$1,000,000 more than they could let out the contract for,) and 12,500,000 acres of land which at \$8.00 per acre would amount to \$87,500,000, thus making a grand total of \$47,500,000—or \$88,500,000 more than its actual cost, and not only this, but a present of the entire road itself into the bargain.

If this 100 mile contract costing only \$9,000 per mile is a fair sample of the central or prairie section, it is quite evident that our estimate of a 5,000 acre land grant (equal to \$15,000) per mile would be an amply sufficient bonus to build this part of the road, provided that the road itself become the property of the company on completion.

This being so, and from the facts which are coming to light every day we see no reason to doubt it, we think it would have been better for the Government to have let this section separately, and then devoted the money and lands thus saved to the work of pushing forward the Lake Superior section.

For this section assumed at 650 miles they have in the contract set aside a subsidy of \$15,884.61 per mile, or \$10,000,000 in money, and 9,615 acres of land per mile, or 6,250,000 in all, equal at three dollars per acre to \$18,750,000; total \$28,750,000. Now

if this is anything like the real value of the work, or rather the loss on the undertaking, for it is always assumed by the Government that the subsidy is given for the purpose of getting the Syndicate to swallow something that is in itself bad and unpalatable, it seems to us that with \$32,500,000 saved from the central section they would be in a pretty fair position to proceed with the work. If this amount were deemed insufficient they could increase this subsidy one half which would make it \$48,750,000 and still effect a saving of \$27,500,000 in the amount of the combined contracts of these two sections. As the amount of bonus for this section according to the contract is only \$16,250,000 and the road, we think it might be fairly assumed that it could be let by public tender for \$48,750,000 and the road into the bargain. We believe strongly in pushing forward the Lake Superior section to a speedy completion, and think that the contract should be completed if possible in five instead of ten years. While we are well enough off during the season when navigation is open, we must, until this section is completed, be compelled to find our way through the United States, and be subject at all times to the vexations of bonding and other restrictions imposed by their Government, and the only way by which we can ever become thoroughly independent is to build this line on our own territory. In the meantime we think that the Sault Ste Marie line should be pushed forward with all possible dispatch. This would give us a choice of routes, and consequently cheaper rates, and even after our own Lake Superior section was finished, would be useful in securing for our main line a large share of the through carrying trade of the produce of the North Western States, which would thus find its shortest and cheapest way to the ocean.

In regard to the bargain now before the public we think it is an extremely bad one for the country and a good one for the Syndicate.

According to our calculations we agree to pay them as follows:—

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|--|---------------|
| Cash.  | \$25,000,000  |
| Works already constructed or which will be completed by the Government. .... | 35,000,000    |
| 25 million acres land @ \$3.00 per acre. ....                                | 75,000,000    |
| Total,   | \$135,000,000 |

Now if this was simply a contract by which the Syndicate should build the road it might be considered a fair price, but when we come to consider that after the road has been built and paid for entirely with our own money, it will not belong to us but to the company, it strikes us that we are paying rather "too dear for our whistle." But there are other and graver objections to the bargain than even this, bad as it is. The disadvantage at which it puts the trade of Ontario as compared with that of Quebec, the creation of a monopoly by the action of government refusing to allow the construction of competing lines to the south of it for twenty years, the inadequate and unfair distribution of the bonus over the different sections by giving the greatest bonus for the easiest constructed portion of the road, and last but not least the failure of government to provide sufficient legislation by which a fair upset price shall be fixed upon the land and the interests of the settler and country thus protected. As each one of these features would furnish material for a lengthy article in itself, we shall not do more than mention them here. We trust, however, that before parliament passes judgment upon this question, the commercial men of Canada who have such a large interest in the future of the great North-West as a market for their manufactures, and the farmers whose descendants must naturally look to that part of the Dominion for their future homes, will enter such a decided protest against the unjust points of this contract, that our rulers may be compelled to amend them before it is too late. This the most important question we have ever had before us, and it is one which more closely affects our national prosperity than any which we have been previously called upon to decide. With all good men and true who believe in country before party we will hope that the decision of Parliament may be so influenced and directed that it may legislate in this matter in the manner best suited to the present interests of the country and its future prosperity.

ARRANGEMENTS are nearly completed at Kingston for the founding of a new industry, the manufacture of charcoal iron. It is intended to commence operations with a capital of \$40,000 merely manufacturing charcoal blooms at first, but if successful, the capital would be increased and operations extended to the manufacture of bar iron and Canada plate.