

friend should have reserved the statements he has just made until the Bill was printed, so that, when we went into discussion on the Bill, those statements might be answered.

Mr. CASGRAIN. I would not have made those remarks had I not been asked by the hon. member for Hochelaga (Mr. Desjardins) to explain the Bill.

Bill read the first time.

#### STANDARD OF THE PACIFIC RAILWAY.

The House resumed the consideration of the proposed motion of Mr. Blake for an address for copies of statement, evidence, &c., on which the Government based their judgment in accepting the Union Pacific Railway, as the same was when first constructed, as the standard regulating the quality and character of the proposed Canadian Pacific Railway; &c., &c.

Mr. PLUMB. I do not think I should have taken any part in this discussion but for the extravagant statements made by the hon. member for North Norfolk in relation to the condition of the Union Pacific Railway after its construction. That hon. member said that the Union Pacific Railway—which, it will be remembered, was that part of the road between Omaha, on the Missouri river, and the point of junction with the Central Pacific road—was of the most flimsy description; that the ties were of cottonwood, the ballast of frozen earth, that the rails were of inferior iron, and that the road was built upon stilts. I considered that it was hardly possible that a road of that character could have been capable of carrying its traffic, and I venture to refer to the Railway Manual to show that, in the year 1872, when the road was yet a young road—and everybody knows that roads have their periods of growth and development, and that the ballasting and otherwise strengthening and completing a road, is one of gradual progress—it would not have been capable of carrying the traffic which it did carry, and of earning what the returns show it did earn, if it was such a road as the hon. gentleman has asserted. In that year, the Union Pacific earned no less a sum than \$7,500,000, and that large earning must have been mainly on through traffic; it must have embraced the whole of the road; and it was necessary, in order to earn that money, that every part of the road should have been in good condition. The impression which the hon. gentleman gave to the House by the very ingenious manner in which he made his statement, was that the road was not in a position to realize earnings at all. But, Sir, nearly one-half the total earnings of the railway were freight earnings. And this hon. gentleman must know—if he knows anything of railway traffic—that it would have been impossible to have carried freight traffic over a road such as he described. Now in constructing new lines through an uninhabited country, one to which it is intended that the railway shall induce settlement, it is absolutely necessary, in order to reach objective points, in order to get the lumber and the material for ballasting, in order to meet the other necessities of railway construction, such as carrying forward the workmen and their provisions, that the line shall be somewhat hastily constructed at first, and afterwards it is rendered serviceable for the purposes of traffic. In the meantime, however, the necessities of the case may force some business upon the road; but everybody knows it is to the interests of the parties who own and operate the road to make it as safe and firm as possible. And though, in some respects, the terms employed in the clause of the contract may be open to the criticisms which have been bestowed upon it by the hon. leader of the Opposition, and by his active and eloquent supporter, the member for North Norfolk, I wish to point out that the word "constructed" is here used in the past tense; but as I am not a lawyer, I shall leave it to those who are better able than I

Sir JOHN A. MACDONALD.

to construe the expression in a legal sense. But I take the opportunity of saying that I am glad that attention has been drawn by hon. gentlemen opposite to the Union Pacific, as it is at present the only completed road which bears any analogy to the road which we are now discussing in this House. The Union Pacific was chartered by the United States Government. The subsidy which it was to receive was not to be paid until the line should have been constructed. I admit, as the hon. gentleman says, that the road was built during a period of great inflation in the United States; that it was a vast undertaking filled with great practical difficulties; but it was, at the same time, an initial undertaking, and could have been built with less difficulty after the gradients and other engineering difficulties had been ascertained. The company was incorporated by two Acts of Congress, one approved on 1st July, 1862, and the other on 1st July, 1864, and they provided for a Government subsidy equal to \$16,000 per mile for that portion of the line between the Missouri River and the base of the Rocky Mountains; \$48,000 per mile for a distance of 150 mile through the mountain range; \$32,000 per mile for the distance intermediate—the Rocky and the Sierra Nevada ranges, \$48,000 per mile for a distance of 150 miles through the Sierra Nevada. The whole distance, as estimated by the Government, from Omaha to the navigable waters of the Pacific at Sacramento, Cal., is 1,800 miles. The company has also a land grant equalling 12,800 acres per mile. The original Act provided that the Government subsidy should be a first mortgage on the road; but by a subsequent amendment it was made a second mortgage, the company being authorized to issue its own bonds to an amount equal to the Government lien as a first mortgage on the line.

Mr. ANGLIN. May I ask if the grant was paid in gold or currency?

Mr. PLUMB. It was paid in bonds, and these bonds, as compared with gold, were about 40 or 50 per cent. discount.

Mr. CHARLTON. Were United States bonds worth more than currency at that time, or were they merely standing at par in currency?

Mr. PLUMB. No; I say that gold at that time, in the parlance of the day, was at a premium; but United States currency, as the hon. gentlemen knows, was fluctuating from four and five and ten per cent. up to 70 or 80. It finally fell back to par.

Mr. CHARLTON. But were not these currency bonds?

Mr. PLUMB. Certainly; but I do not think that alters the position. It was perfectly well understood that the cost of construction was enormously increased by the condition of the currency of the United States, and that that was taken into account in granting the subsidy. I cannot believe that the statement of the hon. gentleman was made in utter ignorance of the necessities which govern the construction of long lines of road such as the one now under discussion. Nor can I suppose that the hon. gentleman, if he had been an impartial observer of this whole question, would have failed to see that the gentlemen who have undertaken this contract must avail themselves of those advantages in building it under which it can be run and operated—must, in fact, build a good road, as it is in their interest to do so. It may be said that the Union Pacific Railway was laid with iron rails. That is true; there were no steel rails in those days; but everyone knows that the economy of running railways is now so defined, that no one would attempt to build a permanent roadway without using steel rails; and my hon. friend knows that no one would now think of building with cottonwood ties and frozen earth for ballast, because the great competition which exists is sufficient