

estimated at pretty nearly its true value.

The want of the hour is cheap and rapid communication with our northwest territory by an all Canadian route, if at all possible, at reasonable expense. To our mind the most important part of the road is the section from Fort William to Winnipeg, for this, with the existing waterways, will give us an all Canadian route, available for nearly eight months in the year, to the fertile lands in the northwest, and will answer our purpose until the all rail line is completed. This portion of the road, however, is already under contract, and it is expected that it will be completed and in thorough running order in about eighteen months.

The next section in importance is that from Winnipeg to the Rocky Mountains. It runs almost entirely through the prairie country, is easy and inexpensive to build, and is a pressing necessity for colonization purposes. It is the key of the rich prairie lands, and its construction should be entered upon at once and pushed with all the vigor that the government possesses.

The third section in importance is the eastern or Lake Superior Section, which will unite the central or prairie section with the railroad system of Ontario and the east. This section, while it would be of immense value to Ontario and Quebec, can hardly be considered as an immediate necessity, seeing that in the summer months we will have direct communication by the Lake Superior and Fort William route, while winter and summer we can use the all rail American route via Chicago and St. Paul.

The fourth, and least important of all the sections is that over the Rocky Mountains and across the western slope through British Columbia. Commercially speaking, this section is at present unnecessary, and the construction may, therefore, be delayed, without any very important loss of traffic, until some period in the future when the necessities of the case will demand its prosecution. Such is our view of the relative importance of the different sections of this road and the order in which the work should be prosecuted.

From this standpoint it is evident that the present policy of constructing the entire railway is a mistaken one, because it involves the country in an expenditure for which there is no pressing necessity, and for which no adequate return can be obtained for many years to come.

Without doubt the centre or prairie section will pay almost from the start, if

proper land regulations are enacted, and emigration encouraged as it should be. The eastern, or Lake Superior section, in our opinion, although passing through an inhospitable country for settlement, but which will probably prove rich in mineral products, will no doubt pay as soon as completed because both the natural produce of the Great North-West seeking its way to the seaboard and the manufactured goods which it must of necessity import from the Eastern Provinces or Europe must find their way over this section, provided always that the freight rates are low enough to induce shippers to use this direct route in preference to its round-about competitors. This being the case, we think that the Government have acted unwisely in forcing on the country a contract which includes the western, or as is generally admitted the useless part of the road, when there is no immediate necessity for it, and the promoters of the scheme admit that the fact of its being included in the contract has detracted greatly from their success in negotiating for its construction and added materially to the cost of the enterprise.

According to Sir Charles Tupper's statement, "there are at present three parallel lines of railway chartered by Parliament, which are to run from the province of Manitoba to the foot of the Rocky Mountains. These lines are, according to the Minister of Railway's statement, to be built by private Companies, who have so much faith in the future of the country, that they are willing to construct them with their own money, provided only that the Dominion Government will sell them lands at \$1.00 per acre, in the country through which they pass in order to enable them to construct and operate their lines." This is a singular contrast to the present agreement under consideration, by which the Government propose to give the syndicate to aid them in the construction of a parallel railroad through the very same section of country, a cash bonus of \$10,000, and a land bonus of 12,500 acres per mile. Taking the land as being worth \$8.00 per acre, which no doubt will prove to be less than its real value, as a glance at the article, on another page, on the value of railroad lands in the United States will testify, we have as a bonus for this prairie section of say 1,000 miles—cash, 1,000 miles at \$10,000 per mile \$10,000,000, and land 12,500,000 acres at \$8.00 per acre, \$97,500,000, or in all

a grand total of \$47,500,000. Now, looking at this matter from a purely commercial standpoint, one would naturally say that there must be something wrong, where there is such an enormous discrepancy, certainly one of the parties must be laboring under a very grovius mistake. If the Syndicate is getting only a fair bonus for their road, what a foolish lot of people must those gentlemen be who propose to build a similar road through exactly the same kind of country for forty-seven and a half millions of dollars less bonus in money and lands, and actually think they are getting a favor from the Government when they are allowed to purchase lands for \$1.00 per acre. Commercially speaking, however, it is more than probable, that as there are according to Sir Charles Tupper's statement, three distinct Companies who are so foolish as to be willing to risk their own money in order to construct these roads and also pay the government \$1.00 per acre in addition for the lands they acquire, and fancy they can make money out of the operation, that there must be some very good grounds for their belief. The general opinion is that capitalists will not risk their money without fully counting the cost of any proposed venture, and for this reason it is quite evident that the bonus for the Central Section is enormously in excess of what it should be. Indeed we have no hesitation in saying that if the Government were to-day to advertise for tenders for its construction even without the monopoly clauses of the contract, they could get plenty of companies to construct it for less than half the present bonus, provided it became their property on completion. Our belief is that on these conditions a company could be formed to build it for a grant, in lands alone, of 5,000 acres per mile or five millions of acres in all, equal, at the price we have before calculated the value of such lands, to \$15,000,000. This would effect a saving on this section of \$10,000,000 in cash and 7,500,000 acres of land, which at \$8.00 per acre would be \$22,500,000, equal in all to \$32,500,000.

If any additional proof were wanting to strengthen this view, section 5 of the present agreement would amply furnish it. This section provides that the Syndicate shall pay to the Government the actual contract cost of the 100 miles of railway west of Winnipeg, now nearly completed. The contract price of this