

River is about half a degree southwest of Lake Nipissing, so that there would be 200 miles of road to be built at a cost of \$3,000,000 in order to get to Georgian Bay. They all knew that Montreal must be the starting point, and for half a million of dollars a communication could be effected with Georgian Bay in less than two years. He did not see that the plan proposed would be of much use, and he was most anxious to have the road constructed at the earliest possible date. He did not think that they could construct the road all the way through without increasing the taxation, but for all that was wanted for last year and all that would be wanted for the next year the tariff would be sufficient.

Hon. Mr. MACDONALD (Victoria) said: I certainly thought that I could congratulate the Government on the abandonment of a mixed land and water communication as a part of the great trans-continental highway—however useful such a work might be, and no doubt will be at some future day for local and colonization purposes, yet as a competing line it will be useless. From all the information which I can gather on the navigation of the Saskatchewan, it could only be used for about three months in the year after a large outlay, first in removing obstructions. The Bill now before us gives no indication of a route similar to that alluded to by the Secretary of State—the Bill is purely a Railway Bill—and does not give the Government power to spend money in improving rivers, canals or navigation of any kind—the proposed mixed communication would be a great commercial failure. The present Government have been accused by many of having no intention of building this railway. But I cannot imagine a man, in the position of the Premier of Canada, stand before Parliament and the country, and say that he was going to do certain things that he had no intention of doing. I have heard him in the other branch of the Legislature repeat offers made to British Columbia, and saying that he would not make a sham commencement, that he hated shams. I for one believe that the Government is in earnest. Two years ago when the former Government brought in their Pacific Railway Bill I gave it my support, believing it to be a good measure, which, with fair treatment, would have brought a large amount of foreign capital into the country, and would have formed a wealthy corporation into an active immigration society, whose interests it would have been to colonize the enormous tracts of land over which it would have had control.

Our business, now, however, is not with the former bill, or the company, or aught in connection with it; for reasons too well known to be repeated, it failed in its object. To the bill now before us I intend giving my support also, although I would like it had been more definite on many points. Yet I have no doubt but it has been carefully prepared, and the money and land grants proposed to be made under it carefully weighed, and I do hope that it will meet the object in view. Our large tracts of lands whether in the hands of Government or in the hands of Companies are valueless until placed in communication with the outside world, and disposed of to actual settlers—then, and not until then will the great North West be of value. It is much to be regretted that the Minister of Finance, in his Budget Speech, should have taken such a gloomy view of the state of the country. Surely it could never have occurred to that hon. gentleman that his words would operate against himself and the country as soon as we became borrowers in the money market of the world. In all the arguments adduced in favor of increased taxation and a high tariff, in order to meet the large contemplated expenditure for railways and canals, calculations have been based on the present revenue, and no allowance made for increase, while we have ample proof that the revenue has grown steadily year by year. The Government is about to borrow \$40,000,000. Now it is not likely that it will be necessary to borrow in any one year more than \$8,000,000, the interest on which for one year would be, at 4½ per cent, \$360,000 and sinking fund at 1 per cent \$80,000; but as this sinking may be invested in good security, a portion of this amount would be saved; but taking the whole amount, the interest and sinking would be \$440,000 for the first year. Now for the sake of illustration, I will take the first two years in which we would borrow say \$16,000,000, the interest on which would be \$1,580,000 and sinking fund \$240,000, making a total outlay for two years \$1,320,000. The point which I wish to place before the House is this, that allowing for a reasonable addition to the revenue for the next two years—say at the rate of \$750,000 per annum, or \$1,500,000 for the first two years—the interest on our loan would not cost the country one dollar of fresh taxation; and with the progress of these great works, the large expenditure of money, the stimulus given to trade, and the in-