

ment, and that the expenditure will fall so lightly on the country as not to make it necessary to increase appreciably the annual charge for interest on expenditure in British Columbia. I estimate that the total cost of the Esquimalt-Nanaimo section will be \$2,500,000; that it may be completed within four years; and that that sum may include the entire sum for working surveys, construction, and interest. I will not, however, enter into detail on this branch of the subject, but will direct attention to the following statements:

STATEMENTS of Estimated Expenditure necessary to build and complete Esquimalt-Nanaimo Section of Canada Pacific Railway, if built between July 1, 1881, and July 1, 1885—four years—and showing the amount of Dominion Notes required to be issued in each year, the Bond Reserve, the Gold Reserve, and the interest on the Gold Reserve till the Esquimalt-Nanaimo Section is completed; also, the annual interest on Total Expenditure after its completion.

Statement of Dominion Notes, Bond Reserve and Gold Reserve.

Year.	Dominion Notes Issued.	Bond Reserve 10 p.c. of Dominion Notes	Gold Reserve 15 p.c. of Dominion Notes
1881-2	\$625,000	\$62,500	\$93,750
1882-3	625,000	62,500	93,750
1883-4	625,000	62,500	93,750
1884-5	625,000	62,500	93,750
Total . . . .	\$2,500,000	\$250,000	\$375,000

STATEMENT of Interest on Gold Reserve, from July 1, 1881, to July 1, 1885, date of completion of E. and N. Section.

Year.	Gold Reserve.	Rate of Interest.	Time.	Total Interest on Gold Reserve.
1881-2	\$93,750	4 per ct.	4 years.	\$15,000
1882-3	93,750	"	3 "	11,250
1883-4	93,750	"	2 "	7,500
1884-5	93,750	"	1 "	3,750
Totals..	\$375,000			\$37,500

The interest is calculated on the assumption that the Gold Reserve will be held at the commencement of each year, and makes the total interest for four years, \$37,500.

STATEMENT of Gold Reserve held in each year, and the Interest paid in each year.

Year.	Gold Reserve held.	Rate of Interest.	Interest paid each year.
1881-2	\$93,750	4 per cent. . . .	\$3,750
1882-3	187,500	" . . . .	7,500
1883-4	281,250	" . . . .	11,250
1884-5	375,000	" . . . .	15,000
Totals..	\$375,000		\$37,500

SUMMARY.

Total Dominion Notes issued, July 1, 1881 to July 1, 1885. . . . .	\$2,500,000
Total Bond Reserve held. . . . .	250,000
Total Gold Reserve. . . . .	375,000
Total interest on Gold Reserve paid. . . . .	37,500
Total yearly interest on Gold Reserve, \$375,000 at 4 per cent after completion of E and N section of Canadian Pacific Railway. . . . .	15,000
Total cost of Esquimalt-Nanaimo section when completed. . . . .	2,500,000

These statements, Sir, show conclusively how very small an annual expenditure for interest is required to build the Esquimalt-Nanaimo section of the Pacific Railway, and to meet the interest on the Gold Reserve after its completion. The amount of the annual charge is so insignificant that it can never be felt, whilst the construction of the Railway will meet one condition of the Carnarvon Terms, keep faith with British Columbia, and fulfil a solemn obligation too long delayed in its fulfilment. Before leaving this branch of my subject, I will state that half of the \$750,000 offered by the hon. member for West Durham, when in the late Government, to British Columbia as a consideration for all future delays—for postponement for an indefinite period—in construction of the Canadian Pacific Railway in that Province, is equal to the total Gold Reserve required to build the Esquimalt-Nanaimo section on the financial basis that I have proposed; and that the other half would pay the annual interest on the Gold Reserve for twenty-five years after its completion, without counting the interest on it, if it were invested. I will now endeavour, Sir, to show that no increased taxation will be required to pay interest on the money required to build this section of the Pacific Railway; and further, that the reduced