

000,000 to come in and rank with it. Those \$15,000,000, however, will be expended on the railway itself, so that the property will be increased in value by the expenditure of \$15,000,000 and although we admit the \$15,000,000 to rank with our \$20,000,000, we shall have thereafter a better security for the \$20,000,000 than we have now, although it now stands as a first lien. That, I think, is the position which the \$20,000,000 will occupy. It has been urged that we are weakening our security to the extent of allowing the other \$15,000,000 to come in and rank with us. It does not seem to be a just argument, inasmuch as the \$15,000,000 to be raised is to be expended on the railway itself, increasing its value, and therefore augmenting the value of the security to the extent of the expenditure. Then, as to the \$10,000,000, we certainly are taking that out of the position of a first lien and ranking it solely upon the land, in the first instance, with a provision that if the land should be exhausted, then we shall have a second mortgage on the railway itself; but the land which is given as security amounts to something like 21,000,000 acres. I take it there is no danger, or very little danger, that that land will be exhausted without paying the \$20,000,000 but if, by any peradventure, that should be the case, we shall have a second mortgage on the railway itself, and by the change we shall have opened the door for the railway to provide for itself out of its own resources the \$15,000,000 for carrying on the works of the company. The Bill does not propose any assistance to the company in the way of a permanent loan, or giving an increased price in any way, but it proposes to open the door so that they may themselves borrow on their own security this \$15,000,000. That is the first *prima facie* view of the transaction which the House is now asked to sanction.

The second is this: that out of the \$35,000,000 of these bonds which are to be issued in pursuance of the mortgage which this Bill is to make legal, and out of the \$15,000,000 which are given to them out of the \$35,000,000, the company are to lodge with the Government \$8,000,000 and upon lodging with us \$8,000,000 bonds, we advance them temporarily, up to the 1st of July next, the sum of \$5,000,000.

It will be a temporary loan for which there is most ample reason to believe full security will be put up. The only doubt which anybody could possibly throw upon that expectation would be drawn from the fact that the issue of that portion of the \$35,000,000 to the public which is to be placed in the market—that is the \$15,000,000—may possibly not be taken up. I do not think that it is an appreciable risk. I have no doubt—and I have strong reason for expressing that opinion—that the \$15,000,000 of bonds which are to be offered to the public will be taken up, and the first appropriation of any part of the \$15,000,000 will be to reimburse the Government the \$5,000,000 they are advancing. That will be done for a double reason. In the first place, the company will be naturally anxious to redeem their undertaking to pay us by the time mentioned, the 1st of July, 1886, and, in the second place, that they are depositing with us \$8,000,000 of bonds to secure to us the repayment of the five millions on the 1st of July next year. I do not, therefore, feel any doubt that that money will be repaid. Should my expectations be realized, then after the 1st of July, 1886, the company will be in full possession of its \$15,000,000 of bonds; they may have sold them, but in that case the proceeds will have passed into the hands of the Government, to be expended for the purpose of strengthening the security, and the Government will be in possession of its twenty million acres of land which is to be devoted to paying the balance of the debt. That is the proposal which this Bill lays down. I hope that I have made it clear to the House. One cannot be sure that he makes himself understood when speaking of figures—at least I cannot, and I feel a distrust whether I am making them as clear as I desire to make them, and whether I am succeeding in placing others in the position mentally which I feel myself in, with regard to the figures and the transactions which I am trying to describe. I hope that the House sees that our present position, the \$30,000,000 will be altered; that we shall have security the same as we have now—the first security, for \$20,000,000, although other \$15,000,000 will rank *pari passu* with it. For the remainder we