

expenditure that would be required to give us a first-class line from Thunder Bay to Red River. I think this ought to be satisfactory to the hon. gentleman. The character of the road was in no way made to suffer by any change of design. The grades were preserved and its substantial character. At the same time, the improvement in the alignment, the careful examination, from day to day, of the location, enabling us to relocate it at several important points, shortening the distance, and reducing the amount of work, placed it in my power to submit the estimate now before the House. So also, in my estimate for the work under contract in British Columbia, I told the House that, in my judgment, there was every reason to suppose we could revise that estimate and place the amount that would be chargeable to the country at a very much lower figure. This was done. Hon. gentlemen know it was stated not only that the estimates on those contracts let were outside estimates, but a large amount was thrown on as contingencies intended to cover any reasonable contingency in the specification; and the belief was expressed that when we came to the construction of that line, we would be enabled very largely to reduce that estimate. The engineers had their attention directed to the great importance of it, the same time securing a workable road with fair grades, and without excessive curvature and reducing the cost of work as far as possible. The estimate now submitted, with reference to the line under consideration between Thunder Bay and Red River, and the four contracts on the 127 miles under contract at British Columbia, are in the light as I said before of the practical experience that the year has afforded. There will be no objection, so far as the line between these points is concerned, to bringing down all possible information with reference to the works between Thunder Bay and Red River and those in British Columbia. The more accurate the information the more will the hon. gentleman be satisfied that I am quite safe in stating that the estimate of \$28,000,000 which I made, will not be increased, but will be largely reduced. I give the House the best evidence of the soundness of my judgment in that relation, by pointing to the fact that again and again I have come to Parliament and shown that, so far as both these sections are concerned, instead of the estimates having been increased there has been a steady reduction. There is another very large element in the consideration, which the hon. gentleman has not failed to appreciate, and that is that in my estimates submitted a year ago, I provided for the full equipment of the line between Thunder Bay and Red River, and the line in British Columbia. I did not, of course, provide for a very heavy equipment in British Columbia, because we have no reason to believe that the volume of traffic would be so great, for some time to come, as to render a heavy equipment necessary; but that burden, under the contract now before the House, will be taken off the shoulders of the Government and placed upon the Company, who undertake to operate the line. The estimate of a year ago for the line from Fort William to Selkirk, was \$17,670,000; the estimate now submitted to the House is \$14,000,000, a difference of \$2,230,000. The mode in which that reduction has been effected has been detailed in the report of the engineer, which I have placed in the hon. gentleman's hands. It consists of the reduction on account of equipment, and the reduction in the cost of works, by the improvement of location and the design of construction. The reduction on the line between Thunder Bay and Red River, by improvement in location and the modification of design, amounts to \$1,385,000; the reduction on account of rolling stock, \$745,000; the cost of the workshops which would have been necessary if the Government had had to operate the line, would have been \$200,000 more. With reference to the Pembina Branch, the only alteration as between the estimate of last year and the estimate of the present year, is upon rolling stock, and that is placed at

the moderate sum of \$193,100. The Pembina Branch was so far constructed as to give us very closely the amount that would be required, so I have not been obliged to make any reduction in that estimate. From Kamloops to Fort Moody by modification and design, and improvement in location, there will be a reduction of \$1,166,200. The hon. gentleman must remember that from the very nature of the country in both these branches it was impossible to make such a location survey in the first instance, until it was placed actually in course of construction as would give us an exact idea of the cost. But when we had the construction staff on the ground, we found that great improvements could be made in the alignment, as well as in other respects and thus save a considerable amount of money. The character of the country is entirely different from the prairie sections, where for a hundred miles there is no bush in sight, and nothing to interfere with the examination of this line. The character of the country between Thunder Bay and Red River and between Kamloops and Fort Moody is such as to enable the engineers from day to day, by careful examination and study, to discover how important savings might be made; and I do not think that anyone, who is familiar with the character of public works, or of the country in those sections, will consider it was at all remarkable that on the 185 miles between Thunder Bay and Red River there should be a saving of \$1,385,000, and on the 127 miles between Kamloops and Fort Moody a saving of \$1,663,200 on the original estimates. Of the latter sum we had, for reduction in rolling stock, \$175,000, and for buildings \$250,000. Of course, if the Government had had to operate this portion of the line they would have required to furnish shops and a variety of other things which are not called for when it is being passed over into the hands of the Company. Between Emory's Bar and Fort Moody the reduction will be found not at all greater than the result will demonstrate as safe. We have made a reduction on the 90 miles between Emory's Bar and Fort Moody of \$313,700, made up of \$133,700 by improvements in location and careful alignments in the road. So far from that being excessive, I do not at all hesitate to say that I expect to reduce those figures very considerably. The amount of rolling stock for that portion that is taken off, is only \$16,000, a very light equipment, as the hon. gentleman will see, making a reduction of \$54,000. We are considering that these are to be the terminal buildings for the Pacific Railway, and I think the hon. gentleman will see that \$54,000 is a very light reduction indeed. I do not at all hesitate to say that I expect to make that reduction on the 90 miles between Fort Moody and Emory's Bar, much more than that. There is another reason why it is obvious that we shall be able greatly to increase the reduction, and that is, that these estimates were based upon the cost of different things in British Columbia. Mr. Fleming's estimate of a year ago was based upon the condition of things in British Columbia at that time, when he placed it at \$3,500,000 for 90 miles. At that time labor and everything that went in the construction of a railway were of a very costly character. We have ten years in which to construct that 90 miles; under the contract we are only obliged to build it by the time that the old line is built. Hon. gentlemen will at once see that when the labor is disengaged that is now occupied in the construction of the 127 miles west of Emory's Bar, we may fairly expect to be able to place under contract 690 miles at a very much lower estimate than Mr. Fleming would have been justified in making a year ago. I say, therefore, that in making a reduction of \$4,750,000 on the amount of work to be constructed and handed over to the Company by the Government, I believe these figures will be found to be entirely safe, and that, instead of costing us \$28,000,000, the amount to be paid by the Government will be considerably below that sum. I think that the