SPEECH

OF

HON. A. W. McLELAN

ON THE SECOND READING OF A

BILL TO INCORPORATE

THE PACIFIC RAILWAY COMPANY.

IN THE SENATE,

OTTAWA, WEDNESDAY & THURSDAY, FEB. 9 & 10, 1881.

REPORTED BY A. & GEO. C. HOLLAND, SENATE REPORTERS.

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CANADA PACIFIC RAILWAY.

SPEECH DELIVERED IN THE SENATE

BY THE

HON. A. W. McLELAN,

On Wednesday & Thursday, Feb 9 & 10, 1881.

Hon. Mr. McLELAN resumed the debate on the Pacific Railway Bill. He said: It is an ill wind indeed that blows no good. The weak little hurricane that has been raging round this building — that has been howling through public halls, as the moaning of vexed spirits, ever since the opening of Parliament — has not been an unmixed evil. It has brought a new experience, a new sensation, pleasant indeed and the better relished because of its great rarity. We have positively had gentlemen — who form and lead the Opposition in Parliament and in the country — lauding their own country. We have actually had them praising our territory, its soil and the extent of our resources, and speaking in glowing terms of the great future that awaits this Dominion. They have — like all new and sudden converts — gone a little beyond the line; they have been too glowing in their descriptions of the value of these possessions, and of that great future; but it is infinitely better that they should over-step in this line; it is a thousand times better to over color the picture a little than that their speeches should form, as they have in the past, the chief certificates to the value of the lands in Dacotah, Texas, and Kansas, and their portraits be found adorning the advertisements issued by the railway companies seeking to dispose of those lands. If I may use the term applied by the ex-Secretary of State to his own speech, we have had, also, in the "feeble," dying murmur of the breeze, a pleasant surprise. The hon. gentleman was kind enough to say to us that, in the year in which the Bill introduced and advocated by him for the construction of the Esquimalt and Nanaimo Railway was thrown out by this Senate, the Senate did right. The Senate itself considers that it always does right. The trouble is that the hon. gentleman is always a few years behind that right; he places himself in opposition to the majority of the Senate for the time being, but in the course of two or three years comes to admit that the Senate was right. On more than one occasion has this occurred. What a pity he could not overtake and live up to the spirit of right which prevails in this body! Why, hon. gentlemen, when he now asks you to throw out this Bill, the experience of the past

is that, if you do not now take his advice, he will, in a few years, thank you for refusing his counsel of to-day. In 1875 he asked you to pass the Esquimalt Bill; you threw it out, and you saved $200,000 a year at least to this country. Now he says you did right on that occasion. He asks you to-day to throw out this Bill, and, as a logical consequence, you should go in direct opposition to the counsel which the hon. gentleman gives you. But I have said that the spirit of right has always prevailed in this Senate since my acquaintance has been formed with it. During the five years that the hon. gentleman and his associates ruled this country, a large majority of this body was opposed to the policy of that Government. We maintained that we were right. They went to the elections and the country confirmed the right. The country declared that these gentlemen were no longer fit to be entrusted with the management of the affairs of this young and growing Dominion; and they passed it over to other hands, and appointed them Her Majesty's constitutional Opposition in Parliament. It was supposed that with five years of official training they would have been fitted to have exercised the duties of the position, and to have given that wholesome criticism to the acts of any administration which would tend to the public security. But, hon. gentlemen, the country has been disappointed; its just expectation has not been met. My hon. friend from Charlottetown was good enough the other night to read to us, from the memoirs of Napoleon I, his saying that "an error steadily adhered to becomes a virtue in the eyes of posterity." Long ago did the hon. gentleman and his party read and adopt this saying, with the slight misinterpretation that they must be always in error, always wrong, to secure the approval of posterity; and, striving to win posthumous fame, they pursue the wrong, and on this great question they do wrong, not only to the country, but to themselves. They have doubled on their track, gone back on their own record. African hunters tell us that, when the ostrich becomes weak and exhausted, it doubles and turns backward, but, growing weaker at every step, finally buries its head in the sand, to fall readily into the hands of the hunter. So those hon. gentlemen, in their blind weakness, have doubled on their course, and, growing weaker at every step, finally, tottering and feeble, stick their heads into American soil at Sault Ste. Marie, to fall helplessly into the hands of the American Northern Pacific Railway Company. We had hoped, looking back upon the history of this great question, for a different course. I do not propose to refer to this history in its details, but there are certain points that stand out prominently, clear and well defined, marking the course of that history, just as the higher mountain peaks mark the line of that rocky ridge which, crowns this continent, and separates us from British Columbia, through which the proposition is to construct this great highway. We have first, the point that all the public men of this Dominion, upon the acquisition of the North-West Territories and the Union with British Columbia, were agreed that the railway was essential to the security, safety and prosperity of the whole Dominion. The next point: Parliament declared that that great work should be undertaken by a company subsidized by land and by cash, and passed an act placing power in the hands of the Government to undertake the work upon that condition and authorizing a subsidy of thirty millions in cash and fifty million acres of land. We come next to the point that a company engaged to do that work. A contract was made with Sir Hugh Allan and his associates. They deposited $1,000,000 as security. They went to Europe to secure the capital necessary to accomplish so great an undertaking; but they had not proper connections made abroad, they had not the influence abroad that would enable them to float their bonds, or in any way secure the requisite cash, and they returned unsuccessful and surrendered their charter. The next point we come to is the change of Government that followed this, when the incoming Government, led by Mr. Mackenzie, declared that the work should be carried on as a Government work, that the Dominion might have the profits of construction. On the meeting of Parliament they increased the taxation three millions for the purpose of meeting the obligation of the country to construct this and other

public works ; they also at the same se - sion passed an Act taking power to construct the road themselves or give it to a company, in whole or in part. The preamble to that Bill has these words :—

"And whereas the House of Commons of Canada resolved in the session of 1871 that the said railway should be constructed and worked by private enterprise, and not by the Dominion;

"And whereas, by the legislation of this present session, in order to provide means of meeting the obligations of the Dominion, the rate of taxation has been raised much beyond that existing at the date of the said resolution;

"And whereas it is proper to make provision for the construction of said work as rapidly as the same can be accomplished without further increasing the rate of taxation;

"Therefore, Her Majesty, by and with the advice and consent of the Senate and House of Commons, enacts as follows :—

"1st. A railway to be called the Canadian Pacific Railway shall be made from some point near to and south of Lake Nipissing to some point in British Columbia on the Pacific Ocean."

Then they go on by their Act to provide for the construction by Government or by a company, or contractors for sections, to be subsidized by $10,000 cash, 20,000 acres of land, and such further sum as may be agreed upon. If this Act means anything, if those men were not performing a solemn farce — a hollow cheatery of the country — they had determined on the building of the Canadian Pacific Railway through and unbroken. In the following year, in the contract with Mr. Foster, they repeat the declaration that the railway shall be built from Nipissing to the Pacific Ocean, twice solemnly placing on record their determination to do it. Having declared their intention, they immediately proceeded to the work, or more properly, to the expenditure of money. They purchased rails to the amount of several millions of dollars, they let contracts from Fort William running westward, they knew not whither ; found they were wrong and changed the location. The Senator from Hamilton waxed unusually eloquent on what he was pleased to term the wonderful statesmanship of Mr. Mackenzie, in providing a great gateway to the North-West from Lake Superior. The members of the late Government will be gratified to learn that one man, at least, regards their efforts as statesmanship. We are all familiar with the style, form and architecture of what the hon. gentleman is pleased to term a gateway : that mongrel system long since abandoned whenever possible, of mixed land and water, a route broken by eight or nine portages. We have had in this Chamber hon. gentlemen make it a subject of grave charge and inquiry that delays of a few hours by stress of weather or accident had occurred on the Government road (Intercolonial), but, on this journey it would be the delay of nearly a lifetime in getting over the numerous portages, and round the many falls on Rainy River, and then all frozen in winter. The mariner sings of his home on the deep, but here the song would be : —

A life on the Rainy River wave
A home on the rocky roaring shoals,
Where the cautious Captains rave
And the pious pilots bless our souls.

Commencing inland six miles from Prince Arthur's landing, they put under contract two sections of railway running 114 miles into the wilderness ; thence skipping 185 miles, they let two other sections of 114 miles to Selkirk on Red River. They placed the grading of Pembina Branch 63 miles, subsidized Georgian Bay Branch and Canada Central; erected telegraph lines over muskegs in winter, that could scarcely be reached in summer, and, to crown all, they had men employed at Fort Francis for four or five years digging a hole ; these works involving an expenditure and liabilities amounting to upwards of $20,000,000. In the meantime British Columbia became restless, and in addition to having placed it in an Act of Parliament that they would build the road from Lake Nippissing to the Pacific Ocean, they solemnly engaged with the British Government that they would build a railway on Vancouver Island at an expense of from $3,000,000 to $4,000,000.

Hon. Mr. MACDONALD — $2,000,-000.

Hon. Mr. McLELAN — I do not think the hon. gentleman will find anyone acquainted with the cost of constructing railways who will put it down at less than $3,000,000 to $4,000,000.

Hon. Mr. MACDONALD — It was $30,000 per mile for a road 70 miles long.

Hon. Mr. McLELAN — They engaged to build that road, cost whatever it might, and to expend at least $2,000,000 a year in British Columbia. Then next we come to 1877, when the Government, finding the entanglement in which they were involved, and becoming disgusted with the profits of constructing the road themselves, announced to the country that they would seek a company to build it according to the terms and for the subsidies named in the Act of 1874. They prepared plans and issued advertisements, calling upon contractors to tender for the work and to say for how much, in addition to 20,000 acres of land and $10,000 per mile, they would undertake the work. In addition to this, they sent Mr. Sandford Fleming, the ablest man in their employ, to Europe to, if possible, interest capitalists in the work ; but all without success. This brings us to another prominent point, the elections of 1878 — the Yellow Head Pass, the turning-point in the history of the Canadian Pacific Railway — when the management of this and of all other affairs of the country were taken out of the hands of those gentlemen, and placed in the hands of the men who now rule the Dominion, the men who, from the very inception of this work, were of the opinion that it should be constructed by a company, subsidized by the lands of the North-West, and by a small sum in cash. It may be supposed, and it has been claimed by some gentlemen who have spoken on this question, that the members of the present Government, when they came into office, had changed their opinions, and said it must be constructed as a Government work. I do not, for a moment, admit that there is anything in their administration to warrant such a conclusion. I am sure I am right in saying that, from the beginning to the end, through good report and evil report, they held to the opinion that this work must be constructed by a company, and that the lands of the North-West should be utilized to meet the cost of that construction. When they came into office, it was no time to talk of a company ; it was no time to talk of a company when they received the heritage of confusion which had been bequeathed to them by their predecessors. Their first great duty was to take up the tangled skein and unravel it, and bring order and system out of that which was only confusion. Let me for a moment glance at that heritage of confusion which they found. Why, the late Government had been expending money by the millions at every point of the compass, almost. They had been expending money upon the road from Lake Superior westward 114 miles; they had been expending money from Selkirk eastward 114 miles ; then at right angles from the line of connection of those sections 100 miles south, they had expended hundreds of thousands ; they had the Pembina Branch partially graded for two years, but not a rail laid upon it, although there were thousands of tons of rails scattered over almost every section of Eastern British America, to be eaten away by rust, and 5,000 tons in British Columbia undergoing the same process, whilst the sections in British Columbia were only advertised a few months before the election. They had away north fifty or sixty miles of railway to Cantfin's Bay, involving a cost of one a half millions, whilst as much more was required to make the French River navigable. They had the telegraph line under construction. All involving an expenditure of nearly $20,000,000 $12,444,000 of which was actually paid out at the close of the year in which they left office. But there was more than this. The hon. the ex-Secretary of State told us the other day that the North-West, up to that period, had cost say $9,000,000 or $10,000,000 in the purchase and organization, and in the payment of Indian subsidies, and the mounted police, one way or another, at the time they left office. And so it had, and still annually the expenditure was $1,000,000. With $12,500,000 paid out on the Canadian Pacific Railway, and this enormous expenditure annually going on in the North-West, with $12,400,000 cash actually paid out on the Canadian Pacific Railway, with ten millions expended in the organization and protection of the territory, with contracts existing involving additional millions, it was no time to stop had the proposition ever presented itself to them. Whatever opinions might have existed in the outset, it had now become imperative to go forward and make as much of the enormous expenditure of value as possible. If there ever was a time to turn back it

was before this expenditure and before the Carnarvon terms. When the Mackenzie Government took office, no contracts had been made, no expenditure beyond a little over a million dollars on exploratory surveys; but, on the change of Government, it was far different; the duty of the hour was to take up this heritage of confusion, bring it to order, and see how far it was possible to make the millions expended, and the lands that were lying there, profitable to the whole Dominion. The hon. gentlemen who administer the Government of this country did not shrink from that duty. They had firm faith in the value of that territory, and they had firm faith in their own ability to develop that value. The first act was to connect the two broken sections of railway between Lake Superior and the Red River, and they placed under contract 185 miles so as to make an unbroken railway, at least in summer, from Lake Superior to Red River. They stopped work at Fort Francis; they cancelled the contract at Cantin's Bay; they urged forward the completion of the Pembina Branch that we might have ready access to that territory even by connection with American lines, and by the 31st December the rails were laid upon the entire branch. Having done this, the next great point was to create a public sentiment in favor of that work and that territory lying north-west of us. They invited the tenant farmers of England to send proper delegates to examine that country, and to report upon it. The invitation was accepted; the delegates came, and returned pleased with the country they had seen, and their visit was attended by the happiest results. But there were other classes in Britain and Europe — where we looked for the money to construct this work and the people to fill the vast territory — whom it was of the highest importance to reach and favorably impress: the moneyed and official classes. The right hon. gentleman who leads the Government, with one or two of his associates, visited England, and, having a marvellous adaptation to the work they had undertaken, the result was almost magical upon the public sentiment of that country, upon all classes, from the noble old lord, who then, as Premier of England, stood next in authority to the Queen who sits upon a throne mightiest among the nations, down to the humblest tenant farmer seeking to own broad acres for his own hands to till and his own children to inherit. All, from Lord Beaconsfield down to the humblest cotter whose children cry for bread, were given to know that here in "this Canada of ours," we have countless acres of soil rich as hand of man ever strewed with seed for grain, or planted with flowers for beauty; enough and more to give happy and prosperous homes to the millions when they come to us, and who, we believe, under the proposition of this Bill, will be brought to us, to find those homes. This was a great point gained. This was laying deep and broad the foundation for future action. The delegates returned to this country. They met Parliament, and, to further impress upon the world the vastness of this territory and the value of it, they asked Parliament to appropriate to this undertaking 100,000,000 acres of land; and, to express, if possible, more clearly and strongly their faith in the undertaking, they placed under contract 127 miles of the road in British Columbia, and 100 miles of the prairie section. Then they felt that the time for further action had come. The time had come to seek for a company to undertake the construction of this great work of building the 2,000 miles of additional railway and the working of the whole so as to make unbroken rail from ocean to ocean. It may be said that they should have given public notice of their intention to seek a company. Hon. gentlemen know that the men who deal in such mighty undertakings as this are few and far between. They are not men who seek for their work in the corners of country newspapers. It might have been advertised in every newspaper in the Dominion for years, as Mr. Mackenzie had advertised it, without a response. The men who deal in those undertakings have them brought to them, presented and advocated, and they pass their opinion upon them. It is becoming the custom of the world to do business in this way. When towns and municipalities want anything done by the Government, they do not write or advertise, but send a delegate to present their case. So manufacturers and other producers, either by themselves or through agents,

visit those who are likely to purchase or consume what they produce, and we have commercial travellers throughout the Dominion seeking and finding customers. The late Government tried the commercial agent plan. They kept Mr. Fleming in England and Europe a large part of 1878, endeavoring to influence capitalists to undertake the work, but without success — not from want of ability on his part, because there was no man in their employ better fitted for the task, but he failed because of the condition of the work and of the men who were behind him; men who had not hesitated to magnify the obstacles in the way of constructing that work; men who had placed on record the statement that not all the resources of the British empire would be equal to building it in ten years; men who, here, upon the hustings in Ottawa, declared that all the Chinamen in China could not complete it in ten years, and that it would take forty years, with all the appliances that could be brought to bear upon it, to accomplish the undertaking; men who did not hesitate to belittle their own country, and to magnify that which lies across the border; men who praised the lands of Texas and Kansas with all the zeal of paid hirelings of the colonization roads of those States. Is it to be wondered at that they were unsuccessful? But the men who went from this Government to that task went in a different spirit, and reached a very different result, and that result is now presented to us in the Bill before the House. When I look at the proposition which is made to us to have 2,000 miles of railway constructed, 712 equipped, and the whole line run and worked; when I think that we are securing all this for $25,000,000 in cash, distributed over ten years, two and a-half millions a year, or, as Sir Richard Cartwright admits, equal to, as cash down, from 18 to 19 millions, and a little of our spare land, I feel, as some hon. gentlemen have said, more like offering my congratulations than offering arguments to sustain the Bill. When I think of the past ten years, and the doubt, anxiety and apprehension which forced themselves upon men's minds regarding the cost of this mighty undertaking; when no man knew, in the accidents of political life, into whose feeble hands the management might again fall, and where we might be driven by it; when I recall the five years in which we drifted helplessly towards destruction upon a lee shore, with the cold hungry rocks of annual deficits baring all about the ship of State, and she manned by a crew who could or would do nothing but throw out signals of distress; and, now, when I see that ship under other management, and another crew, brought away from the breakers and reefs of annual deficits; when I see her brought out from the mists and fog banks and into the clear water and blue sky, where we can ascertain our reckonings, and find out our exact financial latitude and longitude and know where we are, I think the country should be congratulated, and the men, who, by clearheaded statesmanship, patriotism and indomitable perseverance have brought about this result, deserve the thanks of the people. Had any company come to Mr. Mackenzie's Government when they were throwing out signals of distress, when their Finance Minister was declaring that he had exhausted every means within his power to raise a revenue, and when the leader of that Government in this House was declaring that the country was too poor to build even 185 miles of railway to give us all rail from Lake Superior to Red River; had a Syndicate come to that Government and said, give us $25,000,000 in cash distributed over ten years, $2,500,000 a year, and we will construct 2,000 miles of railway; we will equip and work 712 miles of railway; we will open up that vast territory to you, and bring into it such a population as will make the 25,000,000 acres you grant us and all the vast territory you have there of such value that you will receive in return the actual cash subsidy many fold and indirectly you will receive incalculable advantages to this country." I say, had any Syndicate come to that Government and made such a proposition as that, every man of that Government would, politically, have fallen down and worshipped that Company. Now, when that result has been reached by another Government and other men, in their vexation of spirit they rise up and their feet are "swift to shed the blood" of that Syndicate. The opposition to this contract has taken different

forms. In the outset it was declared that we gave entirely too much — that the land itself is worth more than the cost of the whole work that was to be done. If this had been true, why was the country subjected to anxiety and trouble with regard to the cost of the work? If in 1877 and 1878 they believed what they utter now regarding the value of that land — if our wealth be so fabulous as they represent — why did they not go on with the work? What need was there for hesitation and seeking for a company? But the opposition has now another form. We are too poor to build the line, and must be content with the Central section and connections with American lines. That is the policy they have announced, and to which they are committed. Every member of the Opposition in the House of Commons takes that ground, and votes for an amendment moved by Mr. Burpee declaring that the Western end shall be cut off. I have the amendment in my hand, but I will not detain the House by reading it. Then another gentlemam, who was a member of the late Government (Mr. Laurier), moves another amendment declaring that the Eastern end shall be cut off, and the line to the Sault Ste. Marie constructed, to connect with American lines. All that is fixed clearly and plainly on the public records of the country as the policy of the Opposition. Before this last step had been taken in the Commons ; before these amendments had been placed on record, but after the policy of the Opposition had been declared — had taken form and shape, and crystalized — and announced to their supporters all over the country, another company is formed, and proposes to build the Pacific Railway. Now, let us for a moment look at that second offer. The first proposition is made to the Government upon the policy that there shall be unbroken rail communication from ocean to ocean ; that we shall construct the railway from Nipissing to the Pacific Ocean. Upon that policy, and to carry it into effect, the first Syndicate make their proposition. After long negotiations, and satisfaction given that they are equal to the undertaking, a contract is made, and the Government is bound to it. The second Syndicate, having before them the policy of the Opposition, and having been sufficiently assured that it will be adhered to by those gentlemen whenever they should come into power, they make their offer, shaping it to meet that policy. Matters had reached the point which made it absolutely impossible to abandon the contract with the first Syndicate, unless by a government lost to all sense of personal, public and political honor, and they could safely act upon the assumption that if the Government were so dishonorable as to break their solemn obligation to the Syndicate, and if in Parliament a majority could be found so lost to a sense of honor as to sustain them, then such a Government and such supporters could be manipulated to adopt the policy for which the second offer is framed — to do no work east or west except the branch to the Sault, and so reap a large profit from the Central section. But this is not the ground upon which they relied. Their hope rested upon the Government honorably adhering to their solemn obligations ; that their offer, which bore on the face of it an apparent saving of three millions in cash and the same in land, might deceive the country and Parliament, and lead to a change of Government and the placing in power the gentlemen who had announced as their policy the cutting off of the Eastern and Western ends of the road, and building only the prairie section, and to the Sault ; and in their offer they make the necessary provision therefor, as the following extracts clearly show :—

"19. The Company also hereby offers, in the event of the Government desiring to withdraw from the proposed construction of the Eastern Section of the said Railway, that the Company shall reduce the said subsidy in money and land by the amount apportioned to the said Eastern Section of the Railway under the 9th paragraph of this proposal.

"20. In the event of the Government desiring to withdraw the said Eastern Section from construction hereunder, the Company hereby offers to construct within three years, and equip, own and operate as a part of the Canadian Pacific Railway, a branch line from South-East Bay, Lake Nipissing, to Sault Ste. Marie and Goulais Bay, Lake Superior, estimated at 294 miles, at and for a sum of $3,500,000 ; and in all other respects the provisions of this proposal shall apply to the said Branch Line so far as applicable thereto.

"21. In the event of the Government desiring to postpone or withdraw from construction the Western Section of the said Railway, extending from Kamloops to Port Moody, they

shall be at liberty to do so, and in that event the Government shall not be bound to complete and hand over to the Company the said Western Section under the 6th and 7th clauses hereof.

"22. In the event of the Government desiring to postpone or withdraw from construction by the Company hereunder the westerly portion of the Central Section of said railway, being the westerly 450 miles thereof, as mentioned in the 9th clause of this proposal, the Company offers to reduce the subsidy in money and land by the amount apportioned to the said westerly 450 miles of the Central Section under the said 9th clause hereof."

In this it will be seen that they provide for cutting off the eastern and western sections, even to stop the work actually going on. Leaving, as I said before, only the central section to be constructed.

Hon. Mr. SCOTT — Depending altogether on the desire of the Government.

Hon. Mr. MILLER — What Government?

Hon. Mr. SCOTT — The present Government.

Hon. Mr. McLELAN — No; but the Government that they hoped would come into power under that offer. It was to be the Government to be formed by the men who had announced it as their policy, and who subsequently placed it on the public records that it was their intention, if ever they came into power, to drop both ends of the road, and build only the central section. Having arranged it in this way, great stress is laid upon the fact that their offer is $3,000,000 and 3,000,000 acres less than the offer of the first Syndicate, 2,400,000 of which are on central section, and almost all the hon. gentlemen who have spoken in favor of Syndicate No. 2, say that the acceptance of their offer would be a saving of from twelve to fifteen millions of dollars. We must look at the second proposition as it really is, and as it is really intended to be — for the construction of the central section — the eastern and western ends to be dropped.

Hon. Mr. SCOTT—No; it speaks for itself.

Hon. Mr. McLELAN — It speaks for itself, and I have read the three clauses which speak for themselves. I have read also the amendment moved in the House of Commons, and sustained by every member of the Opposition, which speak for themselves; and I need not refer to other speeches which speak for themselves — all declaring in the plainest terms what would be the procedure whenever those gentlemen came into power.

Hon. Mr. MILLER — Under the new leadership.

Hon. Mr. McLELAN — Now, hon. gentlemen, let us look at that $3,000,000 which it is claimed they will save, and you will take this fact into consideration, that they were to cut off the western section — that means that they were to be saved the expense of equipping 217 miles of railway there, which I estimate at $3,000 a mile — very much less than it cost to equip the Intercolonial. Having looked at the returns for the equipment of railways in the United States, I have seen that in sixteen or seventeen railways the returns give an average for equipment, rolling stock, etc., of $7,500 per mile. On the Intercolonial we expended on 500 miles something like $2,000,000 on rolling stock alone; and in addition to the rolling stock there is an enormous expenditure on what is called equipment. I have put it down at only $3,000 per mile, which is $651,000 they will save in the equipment of the western end, and then the saving of loss in the working of 657 miles. They would not build 450 miles down from the Rocky Mountains, which makes altogether 657 miles of railway, which it is admitted could not be worked for many years without loss. I put that loss at a very small figure — $1,000 a mile — making $657,000 a year, or for five years $3,285,000. The two together will be a saving in the equipment and working of that portion of the road of $3,936,000. But the period of loss in working that western section should be placed beyond five years, and the loss very much more, and therefore the saving or escape from loss very much the greater. Mr. Mackenzie, in 1877, page 1,639 of Hansard, says, speaking of the whole line, including the central section, which it is admitted will be profitable: "The whole is an undertaking which for many years can yield no profit." If you assume

that both propositions are to build the whole road, how does this matter stand? Assuming, as the hon. gentleman, the ex-Secretary of State, would intimate, that the proposition is to construct the whole road, which I deny, and which I always will deny ——

Hon. Mr. SCOTT — The offer speaks for itself.

Hon. Mr. McLELAN — And speaking for itself it proclaims to the world that it was never intended otherwise.

Hon. Mr. SCOTT — The hon. gentleman knows very well that the option is with the Government.

Hon. Mr. McLELAN — And the gentlemen who made that proposition knew very well that if it were ever accepted and ever acted upon, it would be by the gentlemen who now form the Opposition in the House of Commons.

Hon. Mr. SCOTT — Then it was a farce submitting the other.

Hon. Mr. McLELAN — Now, assuming that both propositions were to build the whole line, how does the matter stand? As I have said before, the Government entered into that contract and were bound in honor to adhere to it. The two syndicates stand in this position: that the Government made a contract with certain capitalists, after it had been assured that those capitalists had sufficient means and sufficient connections formed abroad to raise the large amount of money that would be necessary to complete the undertaking. The second Syndicate, although composed of a number of very excellent gentlemen in mercantile life, do not claim that they had any foreign connections made whereby they could raise the capital necessary to carry out this work. Hon. gentlemen who are now in Opposition will not deny, but all, except the ex-Secretary of State, will admit that in order to complete this work a very large amount of money must be raised in some way, in addition to what is provided under the Government subsidy of $25,000,000. The original Syndicate had all their connections made in New York and in London, and on the continent of Europe, whereby they could raise almost any amount of money that might be necessary to carry on the under taking; and the Government had ascertained this before completing that contract, as it was necessary and wise for them to do. In 1871 we had the Allan contract; we had gentlemen of large means in this country, far greater than those of the present new Syndicate, of great railway experience and of great sagacity, who combined and deposited their millions and went abroad to seek the funds necessary for their contract; but having no connections made abroad, and having to meet the hostility of the stockholders of the Grand Trunk Railway in the foreign markets, they failed to float the scheme, and ten years have been lost; and the lesson from the past was, that the first and main point was to know that the men who proposed to undertake this great work had their connections formed abroad whereby they could command the necessary capital and influence that would be instrumental in directing a large emigration to this country — an organization that would be prepared to send into the North-West the people that will be necessary in order to make that road, or any road that is ever constructed there, profitable. The gentlemen who make the second proposition had no such connections, and do not profess to have formed any connections whereby the means necessary to carry on the work may be raised. The Act of 1874, passed by the gentlemen now in Opposition, who approve this second Syndicate, declares that no section or sub-section of it shall be given to any contractor or company who does not satisfy the Government that they have a capital of at least $4,000 a mile to carry on the work. Now, for 2,000 miles that means at least $8,000,000, and when you come to equip 712 miles it will require from $2,000,000 to $3.000,000 more; so that it would take $8,000,000, or $10,000,000 at least according to the declaration of hon. gentlemen in Opposition when they passed the Act of 1874, as a capital to commence operations with. They may tell us that the second Syndicate, although they do not claim to have that amount of money — do not claim to be worth that in themselves, taking their entire property — that they could raise it abroad; but there is just the weak

point in the proposition of the second Syndicate, that they have not made their connections in the money markets of the world, to float their bonds or in any way raise the capital necessary. In addition to that, it may be claimed that they could make their connections ; but the moment that you dissolve the contract, the moment you violate the public honor of this country and declare that the public men — the Government of Canada—cannot be trusted to enter into any contract ; that whenever it suits their whim, or the whims of their supporters, they can drop out, and will drop out of their agreement, you destroy all confidence in the money markets of the world, and you would create in this instance such a hostility among the members of this Syndicate and their friends, as to render it impossible for the second Syndicate to raise the necessary funds abroad. I am free to say, in the construction of this work and in the running of the road for ten years at least, and in the organization necessary to bring into that territory the population that will eventually make it pay, from $50,000,000 to $70,000,000 must be expended, from which we may deduct the subsidy of $25,000,000, leaving a very large amount to be provided for from abroad, and for which no provision has been made, or can be made, by the second Syndicate. The ex-Secretary of State tells us that this is all brought about from a want of notice, that if the notice had been given there would have been abundance of offers made even more favorable than the offer of the second Syndicate. Now, if we turn to the history of this undertaking, from 1871, 1877 and 1878, up to the present time, you will find it has been the declaration of every Government in this country that they were desirous to have a company undertake the whole of the work. The very fact, as I said before, of 100,000,000 acres being set apart in 1879 by the Government for the construction of the Pacific Railway, was an intimation to the world more plain and more forcible than any advertisement in any newspaper could have been, that that was to be utilized as a subsidy to a company, or in some other way, in order to complete this work. If it were not so, what was the use of passing a resolution in Parliament, if a portion or the whole of it was not to be given over to some company who would undertake, as previously provided by Act, its construction ; if Parliament meant that the Government should go on and construct the whole railway as a Government work, why put apart 100,000,000 acres of land ? The Government held that land before, and all they had to do was to go on and pay the money out of the public treasury whenever it came in from loans, complete the work, and the proceeds of land sales go into the treasury. If there was one idea more clearly and firmly fixed on the public mind than another, it was that this work, to be least burdensome to the country and most successfully carried out, must be in the hands of a company largely subsidized. The resolution of Parliament in 1871, the Act of 1874, the declaration of the Government in 1877 and 1878, the labors of Mr. Fleming in Europe, the placing of 100,000,000 acres of lands in the hands of this Government, were all standing declarations to capitalists that " we wish you to organize and undertake this work. " Then, we have the announcement of the leader of the Government at a public meeting at Bath on the 29th June last that they were seeking a company. His words were reported in every paper in the Dominion, and a wider and a clearer advertisement was never given. He said :—

" When he told his hearers that at this moment there were a number of capitalists offering to build the road, desirous of taking it off the hands of the Government, and also of making their own fortunes by running it, and the settlement of the lands which had been set apart to pay for the construction, they would quite understand how false and absurd were the charges made against the Government, that the building of the line was overwhelming the people. The Government at this moment had the offers made under consideration, so that there was no danger regarding the road, and there was no room for doubting that the great western country would be opened up, not only for the young men of Canada, but for the world, to settle. The Government was pursuing a vigorous course regarding the railway. The policy of the late Government was to construct it in disconnected sections. That absurd system the present Government had stopped, and the hope and the intention was to have, as speedily as possible, railway communication that would span the Dominion."

Here we have it published " far and

wide" that offers were being made and considered, and we have the policy of the Government for a through line declared. Following this we had the announcement that members of the Government would proceed to Europe to endeavor to secure the best company and the best terms from capitalists. Months passed after these announcements; no advertisement ever issued by the Government of Canada had a wider circulation, or attracted so general notice. But, notwithstanding that, we do not find that a single man whose name is now upon the second Syndicate moved a finger or a pen, or uttered a word in the way of forming a company to construct that work — even the central section. If we look at that second Syndicate, and at its birth and history, and if we look at the men whose names are appended to that second offer we will see that it is dependent for its very existence upon the first Syndicate, and upon their contract having been consummated, and the Government being bound to that contract. Why, hon. gentlemen, you turn to the names of the gentlemen composing this second company — I have the list of them here, and I have the rating that Bradstreet gives to all of these. I have here the statement, and what do you suppose is the amount of capital that they are supposed in their persons — in their entire persons — to represent? Why, hon. gentlemen, it foots up to $2,671,000.

Hon. Mr. SCOTT — Preposterous!

Hon. Mr. McLELAN — I am only taking Bradstreet's figures and they are accepted by the mercantile world; they are the figures that would be looked at in England and on the continent, and wherever they might go in order to raise capital. It would be asked "What is the standing of those men, and what capital do they represent in their persons?" and Bradstreet would be referred to for information.

Hon. Mr. SCOTT — I know two of them who are worth a million each.

Hon. Mr. McLELAN — I know one gentleman who is put down here for a million, and you take him out of it, and you would have only $1,671,000 to represent the rest. There are several names of very excellent mercantile business men down for very considerable sums, large comfortable sums to carry on the ordinary business engaged in by merchants, but one-half the members are rated in the list I hold in my hand at under one hundred thousand dollars, some as low as five thousand dollars, and one at five hundred dollars. Two or three weeks ago, walking up to the Building with a gentleman not in politics, he said to me, "here comes a member of the new Syndicate;" he gave the name (it is not the lowest rated on the list) and added, "I had his note a short time ago for $250, and had very hard work indeed to get it discounted." The hon. ex-Secretary of State says there are millionaires on the list. I find one, and as he is so rated, I may, without offence, name him, Mr. Gibson, of New Brunswick, a most excellent man, the backbone of the company, but let us inquire a little how the company gets this backbone and whence it draws its strength and vitality, giving to the whole its life and existence. Why, hon. gentlemen, it is from the first Syndicate. Mr. A. Gibson, who is down on this paper for $1,000,000, is the man who deposited $500,000, nearly one half of the whole deposit — that $500,000 came from the old Syndicate. It was the money paid to Mr. Gibson by members of the first Syndicate in the purchase of the Woodstock and Riviere du Loup Railway. When the men of the contracting company were considering the proposition to take the Pacific Railway, they would naturally look to a through connection to the sea, and the facilities to distribute the great volume of traffic which it is hoped at no very distant day will come down that great highway. This Woodstock road attracted attention as presenting a link in the system, and was purchased by men of the first Syndicate. Mr. Gibson was a large stockholder in that road, which was yielding little returns. Excellent man as he is — millionaire as he is rated — it will be admitted, I think, that with over $800,000 locked up in that road, he was not in a position to make even a show of constructing the Pacific Railway. The purchase was made. Mr. Gibson was paid $840,000, and months afterwards joins the new

company forming on the line of the Opposition policy and deposits $500,000 of the very cash received from members of the old Syndicate. We then reach the conclusion that but for the money paid by members of the old contracting Syndicate in completion of their system, the new company could never have had existence, no matter how great the political exigencies of the Opposition, and we have also the fatal conclusion that although existing and able to make the government deposit, it has not the strength at home or abroad for this great enterprise, and we may without hesitation put it aside as being unworthy of serious consideration, and come down to the proposition "Is it a good or a bad contract that the Government have made?" Now let us see what it is that the Syndicate have undertaken to do, and what is to be done. I have already stated it, and need not repeat it. The question is not so much whether the Syndicate has a good or bad bargain, but has the Government made sufficient efforts to secure the best terms possible, and are the terms better for the country than to proceed with the work by the Government, paying all cash, and disposing of our lands as we best can? Let us endeavor to find out what it will cost as a government work and judge our position. We have heard a good deal about estimates of the Government engineers, and there has been a great handling of what it is estimated to cost this year, and what it was another year, but I have come to place very little reliance upon the estimates that are made for railways constructed by governments. I have had some experience of them on the Intercolonial Railway, where we had to build five hundred miles of road through a settled country. After getting a large portion of it under contract; after getting careful estimates from the engineers, we reported to the Government that it would cost something like $17,500,000. When the expenditure had advanced we reported that it would cost $18,500,000, and the succeeding year, when we went along a little further, we felt confident we could do it within $20,000,000 — the sum that Parliament had set apart for it. But, hon. gentlemen, it was not finished and running until $22,000,000 were expended. In passing, let me here correct an impression that exists as to the cost of that work. The whole of the Government roads, which include the old roads in Nova Scotia and New Brunswick, previous to Confederation — the extensions since are now included with the road constructed by the Dominion, and all called Intercolonial — swell the cost up to $35,000,000, or, with the Point Levis connection and interest, to $45,000,000. The new road cost say $22,000,000 to start with. I have come to place very little reliance on the estimates of Government engineers as to the cost of this great work, especially when so much of it is through an unbroken and untrodden forest. Consider the difference. The Intercolonial Railway was through an old settled district, while many parts of the Canadian Pacific Railway will run through a country, as Mr. Mackenzie has told us, that was never trodden by the foot of a white man until the engineers went there. Therefore it is impossible that so close an estimate can be made for the Pacific Railway as was formed for the Intercolonial. Take for instance some of the work that has already been done. Take the sections that were let previous to the change of Government between Thunder Bay and Selkirk to the extent of 228 miles; a great deal of that is almost a prairie country for railway construction.

Hon. Mr. SCOTT — Prairie country?

Hon. Mr. McLELAN — A great deal of it is not much heavier than prairie. There is comparatively little excavation in it except on Section 15. The 76 miles beyond is very light work indeed, as were the sections next to Thunder Bay. Now I take it that those sections of 228 miles will be about a fair average of all the work that is to be done on the 2,000 miles. You have got 450 miles through the Rocky Mountains, and 650 miles on the eastern section, making 1,100 miles which are admitted to be heavy. Put these with the prairie section of 900 miles, and you have 2,000 miles which will average, at least, as much cost per mile as the 228 miles put under contract by the late Government. Now, it may be

asked, what is the difference in the character of the road? The character of the road will be in any case much the same. The late Government put those 228 miles under contract, to be completed with trestle work; that is, the road bed, wherever it crossed a valley, was to be set on stilts, and the bridges are wood in piers and superstructure. Those 228 miles have been completed — all except section 15 — on that specification. Now, what is the cost of those sections, which I claim to be a fair average of the whole work to be done? In 1877, we had the then Premier announcing in the House of Commons that he had 228 miles under contract—that it had been most carefully surveyed, that an estimate had been made, and that it was under contract. It was to be an excellent road, and to be built for $24,581 a mile.

Hon. Mr. DICKEY — And about equal to the Intercolonial in character.

Hon. Mr. McLELAN — Yes, and there was nobody present who had seen the specification, and who was able to correct the impression made by such a statement from the Minister of Public Works, whose road was on stilts, while the Intercolonial Railway was built on solid embankments, masonry and iron bridges; but this was his estimate, after careful survey: that he would have it running for $24,581 per mile. What has been the result? The work went on, and the road is about complete, and it runs up — as near as I can get to it, making allowance for equipment which is yet to be made—$33,000 a mile. This 228 miles, which I take as a fair average of the whole 2,000 miles which are to be constructed, would cost the Government, if they had to equip it, at least $33,000 a mile, at which rate the 2,000 miles would amount to $66,000,000. In addition to this there are 712 miles to be equipped, and, as I have said before, I have put the equipment of this road at very much less than it did cost to equip the Intercolonial Railway, and very much less than it will really cost to equip it — at $3,000 a mile, which will make $2,000,000; bringing the total up to $68,000,000, exclusive of interest at the very lowest calculation that it would cost the Government if they constructed it themselves. Then, in addition to that, hon. gentlemen, after the Company has opened the road and commenced to run it, there will be additional cost and additions to capital account every year. After we opened the Intercolonial Railway, and had it running, there have been additions to the capital account of from $400,000 to $900,000 a year, which in six years amounted to over $3,000,000. Assuming that the Government run this road themselves, and taking as a guide the losses on the Intercolonial Railway, which runs through a comparatively settled country, for the first six years the additions to capital account, the working expenses, and interest, there has been an annual loss of $2,000,000. Estimating the running of the Pacific Railway 2,700 miles, at one-half the loss — that is for interest and additions to capital account, and direct loss in the working expenses — and you have in five years, say $20,000,000 of an expenditure. Add this together, and you have at the end of five years after the opening of the road, a total expenditure of $88,000,000. You pay out to the Syndicate $25,000,000, distributed over a period of ten years, which deducted from the $88,000,000 would leave $63,000,000 as the cost to the Company, exclusive of interest, which will increase the amouut largely over and above the $25,000,000 subsidy they receive, and for this $63,000,000 and interest they get 25,000,000 acres of land. Why, hon. gentlemen, I wish we could dispose of all our lands in the North-West at anything near that figure. The cry has been here, are we not giving too much land? I think the sooner we get rid of this land the better it will be for the Dominion, and the better it will be for the world. Hon. gentlemen in opposition seem to forget or not to realize the extent of our territory. I have here under my hand the "Physical Atlas" prepared by Dr. Hurlburt from the most reliable information to be obtained in the Departments and elsewhere, and map 6 shows the extent of grass lands of the Dominion, which he places as extending over an area of more than two million square miles or more than 1,200,000,000 acres. (Here the hon. gentleman exhibited a map colored to show the grass lands with the twenty-five millions proposed to

give the Syndicate.) Hon. gentlemen can perhaps best realize the small proportion which this twenty-five millions bears to the whole North-West beyond Lake Superior by the accompanying diagram

1	2	3	4	5	6
7	8	9	10	11	12
13	14	15	16	17	18
19	20	21	22	23	24
25	26	27	28	29	30
31	32	33	34	35	36

showing 36 equal divisions, each representing twenty-five millions, any one of which represents what we give for building the road. Map No. 7 in the same way shows the region suited for cereals and the diagram is reduced to 24 divisions, one of which represents the proportion of wheat lands the twenty-five millions will take. In the notes to the map he says :—

"South of the northern limits where wheat has been found maturing, east of the Rocky Mountains and west of Ontario there are some 950,000 to 1,000,000 square miles in the North-West Territories of Canada. This immense area of 600,000,000 acres lies in a similar position on this continent and with climates almost identical with the best wheat countries of the old world, the westernf northern, north-western and central parts oe Europe. It lies, too, in the valleys of the great rivers of the northern half of the continent — the Saskatchewan, Assiniboine, Red, Winnipeg, Peace, Arthabaska and Mackenzie, with probably a larger percentage of tillable soil than in any equal area in the old world."

Well, hon. gentlemen, considering the enormous extent of territory that we have there, and with the small proportion represented in the land grant for the construction of this work, there is no room for complaint that we are giving too much land. I say the sooner we can get rid of that land on the same terms as this the better for the Dominion, and for the world at large, in which there are so many poor suffering for bread. If I understand the position of the Opposition, it is that it would have been better to have held the lands and gone on and constructed this road as a Government work. That means that you must take all the revenues of the Dominion and concentrate them upon that work in the far West. What would the older provinces say to such a course? They all have public works that must be attended to by the Dominion Government, and if you apply the whole revenue of the country to building the Pacific Railway, instead of making the public land contribute to it, you will have a rebellion in the older provinces, more especially when there is an opportunity of getting rid of the work on the terms contained in this Bill. The subsidy has been spoken of as a payment of $25,000,000 cash down, but it is distributed over ten years. Sir Richard Cartwright says :—

"Our obligation was not to pay the Company $25,000,000 on or before the 1st of January, 1882, but $25,000,000 in instalments, the last of which will mature in January, 1891. Our cash obligations to the Company would be fairly computed to-day at something like $18,000,000 or $19,000,000, and not $25,000,000."

The House will remember that the hon. ex-Secretary of State took the subsidy that the Government proposed to pay to the Syndicate, and by some mysterious calculation of his own, which I am sure I failed to comprehend, he arrived at the conclusion that the Syndicate would build the whole road, and have about $19,000,000, and the 25,000,000 acres of land worth $75,000,000. Talk about the greenback system. It is wholly eclipsed. Talk about the rag baby, why the rag baby is dead, and the ex-Secretary of State has buried it out of sight! I do not pretend to equal the old Scotchman who was asked if he could preach a sermon. "Yes," he said. "And can you divide it up in its different heads?" "Yes," he replied. "And can you draw the inference?" "Indeed, I can.' "Well, now, what inference would you draw from this text : 'The wild ass snuffeth up the east wind?'" "Aye, replied the old man, "I wad just draw the inference that he wud no get verra fat." Well, hon. gentlemen, I draw the inference that the Syndicate that constructs this Pacific Railway in the manner proposed by the ex-Secretary of State —the men who furnish the supplies, the navvies who do the hard work, the men who run the road, and every man

connected with it will be snuffing up the east wind, and " no get verra fat." Nothing but the expenditure of millions of hard cash will ever bring that work to completion, and no process by which the hon. gentleman can bring out on paper, a balance of $19,000,000, in favor of the Syndicate will ever accomplish it. Various propositions have been made for the construction of this work. I do not propose to detain the House with a comparison of all the various offers and propositions which have been made, but I do say this, that taking the hon. ex-Secretary of State's own line of argument, that money is cheaper now and easier raised than it was in 1871 and 1874, the facts become stronger against him. Taking the rate of interest that we were paying in 1871 and the rate that we are paying now, it will not cost us more to raise $36,134,831 now than it did cost us when we offered the Allan Company $30,000,000. Or, if you take the reverse of it, the $25,000,000 at the rate we are paying for money now, would only be equal in reality to $20,755,000 as compared with the $30,000,000 in 1871. Taking the hon. gentleman's own line of argument, the comparison in all cases becomes more favorable to the present contract. Objections have been taken to the allotment to the central section being, as is claimed, out of proportion to the western and eastern sections. Hon. gentlemen should bear in mind that the first expenditure almost of the Syndicate will be the equipment of 712 miles of railway; this and to run it, will require a large amount of capital. Then, a large amount of capital will be necessary to provide plant for the whole undertaking, and to organize a thorough system of immigration. Whilst constructing the central, they must proceed with the eastern section. The cash subsidy given to the eastern and western sections will fall far short of the actual cost, and it is both for the interest of the Dominion and the Syndicate that a large amount of land should be given to the Syndicate for settlement as soon as possible. Some time must necessarily elapse before the Syndicate can have a return from lands to help provide the cost of constructing the eastern and western sections. It is essential to the prosperity of the North-West and the success of the whole that there shall be a large population put in there, and that you shall give over to the Company for that purpose, as soon as possible, as large an extent of territory as it is safe to do under the terms of the contract. All the land that the Syndicate can settle in the first years during the construction of the road will lie along the line, and the 900 miles over the prairie section will only give them sufficient land as laid down within the proper distance on each side of the line. But, if the gentlemen of the Opposition think that we should have held part of these lands and money and placed it directly upon the eastern and western portions of the road, what have they to say to their own Act of 1874? That Act divides the work into sections. It says " it shall be divided into sections," and it names them just as they are named in this contract. Then it goes on to say that $10,000 a mile shall be given to each and every mile, and in every section, and that 20,000 acres of land shall be given to every mile of every section of the road. That Act declaring that this subsidy should be given in all cases would give to that central section $10,000 in cash and 20,000 acres of land per mile, and in addition to that they propose to guarantee four per cent. or any sum the contractors and the Government might agree upon. We will drop the four per cent. We will put any valuation that any gentleman who has spoken on that side will mention upon the land; but $3 seems to be the figure about which they all cling. You have at that rate $60,000 worth of land, and $10,000 in cash, or $70,000 a mile for building the Central section. That is what they proposed to give under their Act of 1874. But some hon. gentlemen lay great stress upon the fact, or what they call a fact, that this measure will create a monopoly in the west — a monopoly which the hon. Senator from Charlottetown said would be like a malaria spreading over the land. I was, and am still, under the impression that the object of this Bill is to break up a monopoly that has existed in the North-West from time immemorial. The Indians, the buffaloes, the prairie dogs and

the muskrats have had a monopoly of that country for ages, and the proposition is to break up the monopoly of barbarism and to give that country civilization, prosperity and advancement in the world. They say it is a monopoly because no other company can construct a railway to within fifteen miles of the boundary. The hon. gentleman opposite who spoke yesterday asked, "Would you give a river away?" and some hon. gentlemen said, "hear, hear." Certainly not if the river were open and free to the navigation of the world. But if it were obstructed and any individual should fit it for navigation by overcoming those obstructions, the country would give him a monopoly of it, and the privilege of exacting tolls for the use of it by others. The Government itself constructs canals and charges tolls upon vessels passing through them, and in that way has a monopoly of our rivers. A case occurred a few days ago, where one lumberman had made improvements on a river, and another lumberman passed his logs over the chutes of that river. The owner of the improvements sued him, and the Court decided that he had a monopoly of the works on that river. But why should these hon. gentlemen talk about a monopoly being created because of this clause in the Bill? Look at their own. Mr. Mills, while a member of the late Government, introduced a Bill in the other House for the construction of railways in the North-West, by which he created the very kind of monopoly that the same hon. gentleman now complains of. He says in that Bill:—"No company shall be incorporated, under the provisions of this Act, for the construction of any railway having the same general direction as the Canadian Pacific Railway, or any branch thereof, at a nearer mean distance than forty miles." People outside of Parliament reading that would take up that word "mean" and say it was mean to complain of a bill that allows you to go within fifteen miles of the frontier, when these gentlemen declare themselves that no one should go within forty miles of the Pacific Railway. Then they complain of the rates of freight, and contend that the road should be held by the Government in order that they might regulate those rates, and the ex-Secretary of State instanced the case of the Intercolonial Railway being held as a Government work, and that we came to this House to complain of the rates, and they were reduced. The fact is, that all the great railways of this continent: the syndicates, and companies, and individuals, that have been gathering in and strengthening their lines, have tended, under the management of the companies, to a reduction of the rates of freight, and it was only because the Intercolonial Railway was held by the Government — held by the late Government — that we had to come to this House to complain of the rates of freight. At that time all the railways held by private companies on this continent were reducing their rates for freight and were increasing the traffic upon their lines, whilst the late Government were increasing the charges for freight, and reducing the traffic upon the Intercolonial. I remember bringing this matter to the notice of this Chamber during the administration of the late Government, and of having cited numerous cases of reductions made by companies in the rates for freight; and having presented such a case as was unanswerable to the Government; and that, I believe, had some little influence in bringing about a reduction of the rates upon the Intercolonial. I say that, so far from being alarmed at the rates that railway companies may charge, we would have more cause for alarm if the line were owned by the Government, because governments will not watch so closely the interests of a railway and the wants of traffic as a company will. The Government are not so easily reached as a company is, nor so easily affected in their own interest or in their pockets; therefore, I claim that it is safer under a company that will carefully watch the pulse of traffic, and, in every possible way, seek to strengthen it; besides, we can, when there is need, reach them under the clauses of the general Railway Act. But hon. gentlemen also assert that this Company will hold their lands, and they have cited the case of the "Canada Land Company," which has held lands for 20 or 30 years, but the cases are quite different. The main profits of the Syndicate must arise from the

settlement of their lands. What is the advantage of the Company undertaking to construct the Pacific Railway through that territory if they do not at the first possible moment settle the lands along the line. They must, in order to save themselves, either settle our lands which are sandwiched in with theirs, or settle their own. I believe the Syndicate cannot build that road for less than $50,000,000, and it would have cost the Government very much more, as I have attempted to show. Now, all that the Government pays is $25,000,000, which will leave at least $25,000,000 to be provided for by the Syndicate. They are under bonds therefore to the extent of $1,250,000 a year for the interest upon that sum at least, and they have also the expense of working the road of at least $6,000,000, so that the Syndicate is under bonds to the extent of $7,250,000 at the very lowest calculation—to sell their land or to people ours. Whichever way you put it, if they sell their own lands, or if they people ours the advantages will accrue to the Dominion.

The debate was adjourned until to-morrow. Mr. McLeelan still holding the floor.

Thursday, February 10th, 1881.

Hon. Mr. McLELAN said: Hon. gentlemen, I am sorry to trespass further upon the attention and time of the House, but I shall endeavor to limit my remarks and make them as brief as possible to-day. When the House adjourned last evening, I was endeavoring to show that there need be no apprehension of a monopoly in the North-West under the Bill transferring the construction of this work to a Syndicate. I had shown, I think, that it was the interest of the Syndicate to dispose of their lands as early as possible and to settle that country in order that they might have a traffic which would pay the cost of running the railway and the interest upon the necessary capital that they would invest over and above the subsidy. This sum I place at $7,250,000, or for five years — the period for which I had made my other calculations — it would amount to $36,250,000. Hon. gentlemen will see that, having the Syndicate under so heavy bonds to dispose of their lands and to settle the country, there need be no great alarm that they would hold them for an increased value. All that the lands, if held, would increase in value would be lost in the annual deficit in the working of the road, and in the interest of the capital. Without population, hon. gentlemen know that the railway cannot exist, that they cannot meet the interest upon their bonds which they will have outstanding; and the probabilities are that they would otherwise have to go into bankruptcy and be sold out, as many other railways in the United States have been during the past year. I have here a statement showing that 31 railways in the United States, for the past year, with an aggregate length of 3,375 miles, with $166,000,000 bonds and $97,000,000 stocks, were sold under foreclosure of mortgage.

Hon. Mr. SCOTT — Between what years?

Hon. Mr. McLELAN — That was during the last year. In five years 228 roads, having a mileage of 20,000—nearly 23 per cent. of the present total mileage of the United States—and a nominal investment of $1,236,000,000, became bankrupt, and bankrupt mainly and solely, as we all must infer, from the want of traffic upon the roads. If this Syndicate should follow the insane practice of withholding their lands from settlement they must inevitably become bankrupt also; but if they settle the lands of the Dominion, and thereby secure traffic, then the ends we desire will be accomplished. But how are they to lock up their lands? How are they to get increased prices when we have intermixed with all the lands that they can hold — good, bad and indifferent — lands of the same quality and the same quantity, acre for acre, mile for mile, and farm for farm, which will be sold at a dollar and a quarter an acre? Hon. gentlemen have claimed that the Company will get the best lands. Why, under the system in which the lands are to be located — in alternate blocks of a mile square — if they get a good mile we will have an adjoining mile equally good, and the average price that we could get

for it, under the land regulations which were published in October last, would be at the highest, one dollar and a quarter an acre. Taking the homestead lot for settlement and the pre-emption lot, of 160 acres each — the one lot free and the other lot at two dollars and a half an acre — we get in this way for the two lots an average of one dollar and a quarter an acre, from which deduct one-quarter as the cost of management, and the price obtained by the Government as the net receipts for the land, will, in the best belt, be one dollar an acre. Assuming that the Company hold their own lands and settle ours, how will the matter stand? You see with the average price of our lands, and with the facilities afforded by the railway, there can be little doubt that the lands held by the Government will be readily sold at the price I have named. What will be the result of the settlement of an equal quantity of land to that which we give the Syndicate — 25,000,000 acres? I go to the Census of the United States, and find that the returns of the quantity of land held by farmers there, improved and uninproved, is given. Taking the State of Minnesota, the improved lands there amounted in 1870 to 2,322,000 acres, and unimproved to 4,161,000 acres; making altogether 6,483,000 acres, the population is 439,000, which gives an average of $14\frac{3}{4}$ acres per head. I go to the State of Michigan, which had in the same year 10,000,000 acres of land in the hands of agriculturists, and a population of 1,184,000, and average of $8\frac{1}{2}$ acres a head. Take our 25,000,000 acres, and put them in the hands of agriculturists, and you will have, at least, a population of 2,000,000. So that if the Syndicate does nothing more than settle the 25,000,000 of acres of land that we have intermixed with theirs, they will confer an incalculable benefit upon this Dominion. Then again, as a further guarantee, at the end of twenty years, if they are so disposed to hold their lands, the population there will have the power to impose taxation upon them; and if the Railway Company carry into that country a population that will pay for the cost of working and running the railway, that population will be sufficiently strong to control the taxation of that territory, and will impose such taxes upon those lands as will ensure their being thrown open for settlement. But, hon. gentlemen, it has been claimed by the Opposition, further, that although after twenty years, or upon the sale of any of the Syndicate lands, the municipalities will have the right to tax those lands, it is complained that they have no right to tax the roadbed and rolling-stock, or the property of the Syndicate. Why, hon. gentlemen, the municipalities would not be in any worse position if the Government, as hon. gentlemen opposite now advocate, should construct the road. No man supposes for a moment that if the Government were to build this road that it would give the municipalities of the North-West the right to tax the roadbed and rolling-stock. To us of the Maritime Provinces, it is a new proposition thus to tax the roadbed of a railway. We are more familiar, hon. gentlemen, in the Maritime Provinces — I speak more particularly for the Province of Nova Scotia — with the hardships endured by the first settlers in their efforts to gain a footing in the country. We are familiar with the recitals thereof, showing that the pioneers of Nova Scotia, and I presume of all the older provinces, endured hardships, suffered privations, and overcame obstacles greater than many men have overcome whose names are recorded in history as heroes. When the men of the older provinces had undergone all those hardships, when they cleared their farms, established cities and towns, and made the wilderness to blossom, then companies came to them and proposed to build railways, and asked them to contribute something towards construction. In some cases the right of way was provided, in others bonuses were given to the company. In the Province to which I belong the Government proposed to construct a railway, and in addition to the people of the counties through which that railway ran, bearing their share of the cost of construction, they were called upon and taxed to pay the right of way through those counties. And here, hon. gentlemen, a proposition is gravely made to us, the descendents of the people who endured all the hardships of settling this country, who have purchased and held the great North-West Territory at a cost, as the hon. Secretary of State says, of

$10,000,000, and an annual charge of one and a quarter millions, exclusive of the railway, and are now called upon to contribute twenty-five millions more to complete this undertaking, and are gravely told that we should go further and provide that the people going into that country with all the advantages which we of the older provinces provide, should have the right to tax the railway. The Opposition have given various estimates of the value of the exemption, rating it as worth to the Syndicate from $5,000,000 to $20,000,000. Take any of their figures and their assertions, and it follows that no Syndicate expecting to construct the road would agree to be taxed unless you add to the subsidy just the amount which the privilege will cost the Syndicate, be it five or twenty millions. Now, hon. gentlemen, I say that, if in addition to all that we have done for the North-West, and all that we are now doing for that country, we should go down to our constituents (descendants of those who endured such hardships in settling the country) and say, "You who have taxed yourselves to provide railways in your own provinces, and spent so many millions in the North-West to open up that territory by a railway, have, by our last Act, been called upon to provide five to twenty millions more that the people who go in there may have the right to tax that railway to which you have contributed so many millions," we would deserve to be driven out by the constituencies to which we returned. But men of spirit, desiring to go into the North-West to make homes for themselves, if they know anything of the difficulties that have been encountered in the settlement of these older provinces, would not ask us to subject ourselves to additional taxation in order to give them the right, when they go there, to tax the road that carries them in. They would not ask to be "borne on downy beds of ease," whilst so many have trodden "the thorny paths." The proposition is not only that we should advance the money to construct the railroad, that the settler may go in on a Pullman car, with all the luxuries and comforts of civilization surrounding him, but that we should increase our burdens to give the settler the right to tax the roadbed and rolling stock which furnishes those comforts and luxuries; aye, and they tell us that, unless we do, the settlers will not go in — that it will debar many. Well, hon. gentlemen, let them stay out. The men who would not go in there unless they had such a right are not fit to settle a new country; they are men who would be no good to the North-West, or to the world at large. Had such men lived in ancient times they would not have taken a step towards the promised land unless they had Moses under heavy bonds to provide them with quail and manna for all time. But the Opposition have piled up their millions for naught. It has been shown elsewhere, in an admirable speech by Mr. Rykert, that this objection is a trifling one; that the taxes would only be a fractional sum that could be obtained, taking the rate of taxation existing in Ontario. But as objections melt away one after another, and the weakness of them becomes more apparent, new objections are started up. One hon. gentleman actually made the objection that settlers would not go in because the Company would not keep up their share of the fences — that this great work of constructing a highway to the North-West, for the opening up and settlement of that great country, was not to be gone on with because the fences were not to be constructed, or of a proper height! It is too ludicrous to be talked about. I almost felt like quoting that expression which has become historical in connection with the same North-West, "take away that blawsted fence," and I hope hon. gentlemen opposite will cease to bring forward such nonsensical utterances.

Hon. Mr. HAYTHORNE — I beg that the hon. gentleman's words will be submitted to the decision of the Speaker; is the hon. gentleman entitled to accuse a member of this House of speaking nonsense?

Hon. Mr. McLELAN — Hon. gentlemen, I withdraw the expression entirely; it may be a mere difference of opinion, and I will withdraw my opinion in the matter. But, in addition to all these objections, a cry has been heard "do not build a through line." At one time we are told that the value of the land is so great that, taking it at the valuation set upon it by hon. gentlemen themselves,

we will be enabled to construct half a dozen railways; but then they come down to the position, "You should not build the line all the way through, because we are too poor, and a better line can be had that will give more traffic at a much less cost, and saving a great deal of land — the line to the Sault." And the hon. gentlemen strengthen their position somewhat by quoting the utterances of many members of this House and elsewhere, respecting the advantages that would accrue to the country from connection with the Sault. But these utterances were given in this House and elsewhere on the supposition that we were not in a position, financially, to construct an all-rail route, and that it would be years before we would be. The question was raised here last year, and I remember having troubled the House with a few remarks on that occasion. The position I took was, that it was so important to the welfare of this whole Dominion, and to the North-West itself, that it was better not to be over hasty, but to husband our resources and work for an all rail route. And, hon. gentlemen, as we learn more of the extent of that country, my opinion is strengthened, and I believe that the impression will grow and strengthen upon the minds of the public, as they learn more and more of that vast country, of the great importance of having through connection with it upon our own territory. Make that highway upon our own territory a great channel of commerce between the west and the older provinces, and you may rest easy as to any further connections. If there is a trade at the Sault that is desirous of coming through Canada, when we have built this great highway, and the trade of the North-West is borne down over it, that connection will be made from the Sault; and the lesser stream will flow into the greater, as lesser streams always flow into larger. But, hon. gentlemen, suppose you abandon the Eastern connection, and you make the road to the Sault and connect with a line through American territory, and your means of communication are through American territory, what is the result? Why, that all the immigrants you start for that country (if not carried away by American agencies), are so poisoned by the stories they hear of the value of the American soil, and the advantages of settling in the United States, in passing through, that the probabilities are that they become dissatisfied with the North-West, and go back to the United States — led away by the impression made upon them when they were passing through. An hon. gentleman, the ex-Premier, gave his experience in a speech delivered February 21st, 1877. He says: —

"The stream of travel ran through the United States, causing a loss of a greater or less percentage to us, both in immigrants and others, for a number of Mennonites, who were sent over the American route to the North-West, had been induced by speculative agents to settle in the States; and it did seem to him desirable as anything could be so, that, as soon as it could be done at a cost proportioned to the value of the work, they should be able to take the stream of travel to the North-West through our own territory."

Hon. Mr. SCOTT — *Via* the Thunder Bay Branch.

Hon. Mr. McLELAN — *Via* the Thunder Bay Branch?

Hon. Mr. SCOTT — That is what he refers to there.

Hon. Mr. McLELAN — But that line will be closed during part of the year.

Hon. Mr. SCOTT — Not while the emigrants are coming.

Hon. Mr. McLELAN — Whilst very many will come, and whilst there will be at all times a large travel to and from the North-West, this, being all rail, would be easier than via Thunder Bay, and would be mainly used.

Hon. Mr. SCOTT — The hon. gentleman knows that Mr. Mackenzie was defending the expenditure on the Thunder Bay Branch because emigrants to that country would go through to Thunder Bay by Lake Superior. Immigrants do not come in January, February and March.

Hon. Mr. McLELAN — My hon. friend proposes to make a line to the Sault, and, connecting with American railways, to use that as a highway to the North-West.

Hon. Mr. SCOTT — During the winter only, until we can build the other.

Hon. Mr. McLELAN — Do you propose to take up the track in summer? If not, it remains connected with the American roads in summer, and, either summer or winter, the man who gets on a railway here to travel to the North-West will remain on that road and travel by the American lines.

Hon. Mr. SCOTT — You force them for ten years, at all events, to pass through the United States.

Hon. Mr. McLELAN — But you ask us to force them for all time to travel through American territory.

Hon. Mr. SCOTT — I never suggested anything of the kind.

Hon. Mr. McLELAN — I say, if we reject this proposition, and act upon the suggestion of the hon. gentleman, and construct the road to the Sault, it is tantamount to declaring that the route shall be for all time through the United States.

Hon. Mr. SCOTT — Such a suggestion was never offered.

Hon. Mr. McLELAN — It is nothing else. Suppose the hon. gentleman should succeed in getting two millions of people in the North-West, he does not mean to say that they, or any large proportion, would travel by land and water *via* Thunder Bay and the Lake, even in summer? The main portion of travel will be, and must of necessity be, through the United States lines, and I say, if you succeed in getting the number of settlers into the North-West that the hon. gentleman expects (and it is not expected that this great railway shall pay working expenses until there are two or three millions of people there), you have that population in the North-West, and four or five millions in the older provinces, and the means of communication between the two populations would be mainly through American territory. I say, so long as you have that, you never can bring about that feeling of homogenity — of oneness — that is desirable in people living under the same laws. Previous to the opening of the Intercolonial Railway, we of the Maritime Provinces knew something of that. We know that this passing through the United States to reach one part of the Dominion from another tends to keep us comparative strangers in sympathy and interest; and it was not until the Intercolonial Railway was built, and we travelled through our own territory from one point to another, that we felt that we were one people, and should work to accomplish one end. I say, therefore, that so long as you make the main thoroughfare of travel and traffic with the North-West through the United States, you will have the feelings and interests of the millions who may go there to settle drawn and centred towards the United States. It has often been pointed out that the great leading railways which bound the Northern and Western States together commercially, united them in patriotic sentiment; and so with the South, — the sentiment of each following the lines of interest — the railways of the north, binding together the greater power, preserved the Union. I say that it is worthy an effort to get that great highway built, which shall bring about this oneness of sentiment throughout the Dominion, more especially when the lands of the North-West can be made to bear at least half the cost of the undertaking. The hon. ex-Secretary of State has referred to the amount that we are giving to the Syndicate, and he has added to that the cost of the work already constructed or under contract, and he has taken the extreme figures, including the surveys — all expenditures and all liabilities, amounting to $36,619,000, from which he deducts $1,000,000, leaving $35,000,000. Now, that includes the cost of all the surveys that have been made. I do not think it is fair, under all the circumstances, to charge that against the Syndicate.

Hon. Mr. SCOTT — That was the agreement with the Allan Company, that they were to recoup the Government for the surveys made prior to the contract.

Hon. Mr. McLELAN — I am only speaking of the contract now, and what is the present position of things. The United States spent very large sums in exploratory surveys in the country over which the Union Pacific Railway was built long before that line was constructed, and every railway that is run through a settled country has the advantage of the expenditure for surveys made at the expense of the Government. I think it

is entirely fair to deduct from the sum which the hon. gentleman puts down as the cost of the surveys.

Hon. Mr. SCOTT — The Syndicate gets the benefit of it.

Hon. Mr. McLELAN — So does every railway company that runs through a settled country get the benefit of the surveys made at the expense of the Government.

Hon. Mr. SCOTT — But the line is actually located through the prairie section.

Hon. Mr. McLELAN — Yes, and it was changed by the Government because it was considered that the location was unwise and unsuited to the country. Would you charge against this Syndicate the cost of locating the line over the muskegs north of Lake Manitoba? If the hon. gentleman will not permit me to take from the amount the whole cost of the surveys, I think he will have generosity enough to allow me to take at least the cost of that location more especially, as we, in this Chamber, protested in our strongest terms against it. We never could rightly understand why that location was made; why it was taken away from the portion of the province fit for settlement. Hon. gentlemen from Manitoba asked for a committee in the session of 1876, and we had an inquiry, and it was shown that, looking to the colonization of the country and the strengthening of our position, it was right and proper to take the line south of Lake Manitoba. It will be remembered by hon. gentlemen who were on that Committee, that the position taken by the Government was that the northern route was shorter; but there is another reason given later by the hon. gentleman who was Premier at that time, which will be found in the Commons Debates of 1877. It was that the right of way would be cheaper where located. He says: —

"Advantages were no doubt to be gained by running the road from Rat Portage in a more southerly route, and reaching Red River 20 miles further up, near the City of Winnipeg. Then this route passed through a comparatively settled portion of the country, some of it, at all events; and it would also pass through the centre of population. Apart from the engineering difficulties which presented themselves, and to which he would refer presently, there were other disadvantages. One of these disadvantages was that the route would pass through a place where the price of land was very high. The Government found themselves, even at Thunder Bay — a place which was still more recently settled — obliged to pay for every inch of land, for two miles along the river bank, at a cost in the neighborhood of $50,000. On the line they had adopted in Manitoba and the North-West very little of the land was in the hands of private parties."

Here we are in effect told that the road was carried away from the population and from the land fit for settlement and located over the swamps and muskegs north of Lake Manitoba, because the cost of right of way was so great at Thunder Bay; because the hon. gentleman was incompetent to protect himself from the Philistines, his friends, and paid over $50,000 for what was not worth as many cents. When the hon. Senator, now Minister of Inland Revenue, was ventilating this matter before Parliament, we never supposed that we were doing an incalculable damage to this country, and to the Province of Manitoba by that exposure. We did not think that we were frightening the Government from the valuable lands of Manitoba, and driving them to locate the road where it could only be done in winter over muskegs "measureless to man," so that they might not fall again into the hands of the Philistines as they did at Kaministiquia. The hon. ex-Secretary of State has drawn me away from the position I was taking, that the cost of the surveys should be deducted from the gross cost. Then, taking off the amount that was estimated by the engineers for the equipment of the road, and included in the gross sum, and the Canada Central, and we will have, as given elsewhere, $28,000,000 as the cost of the road that is now being done. But, hon. gentlemen, when you give them that property, which has cost this country $28,000,000, it does not follow that it is worth that amount to the Syndicate, or that it would cost them anything like $28,000,000 to produce it — all of it that will be of utility when you figure up the different items that have been wasted, and worse than wasted. I see an hon. friend smile; I know that he is thinking of the millions of dollars lost in the hasty purchase of steel rails — of the money

thrown away at Fort Frances — of the purchase of the Neebing Hotel, and of the thousands expended on the Georgian Bay Branch; and then we have the cost of forty miles of railway that the Syndicate would not build. The instructions of the late Government to their engineers was to locate the line on the straightest and shortest route to the Pacific. They were so hasty to get to the Pacific that they they took an air line for it, regardless of the obstacles in the way, and to do this, and, as I have shown in the extract I have read, to get away from the settlements — away from valuable lands of Manitoba — they made the crossing at Selkirk, necessitating the construction of 22 miles to Winnipeg and 18 more from Winnipeg to intersect the main line, making forty miles which could have been saved had they crossed at Winnipeg direct, throwing the line south of Lake Manitoba without the bend it now has when put south by the present Government. Then, in the location of the road up to Selkirk, it was given in evidence before a Committee of this House that, had the line been located more southerly and direct to Winnipeg, a saving of from $300,000 to $400,000 would have been effected. Estimates of both lines were made. The estimate for the southern line was about $360,000 less than the estimate for the line built. The actual expenditure on the line that was constructed was double the estimate. Now, doubling both estimates, you have a difference of $720,000, nearly three-quarters of a million, between the two lines. Take off all these expenditures, and you have not left much more than $20,000,000, and I am quite satisfied that, if you ask the Syndicate to do this work for $20,000,000, they would be only too glad to do it, instead of being charged $28,000,000. But, with all these deductions that must be made for useless expenditure, is it not amazing that the hon. gentlemen opposite who were guilty of this mismanagement should be desirous to continue the construction of the line by Government? They must be looking and hoping to come to the Treasury Benches, and to resume the management of public works. If they look at the history of the past, and at their mismanagement of this great work, they should see how fatal Canadian Pacific Railway construction would be to them. It has been said that the National Policy caused the death of the late Administration. That is true, but if they had had another life, that would have been taken by the Pacific Railway. If they had had nine lives, every life would have been forfeited by their mismanagement of that great work. No word of warning or counsel would be accepted; blindly and persistently they blundered on. The representatives of Manitoba protested against the location; to a committee of Parliament they showed the injury it was doing to that Province and the whole North-West, and, therefore, to the Dominion, but without effect. Other works, the Georgian Bay Branch, and the Rainy River improvements, were shown as clear as sunlight to be, the first unnecessary, and the latter, utterly valueless. The hon. gentleman who presides at the head of this House made it as clear as possible that the construction of that work at Fort Frances was not worth the paper upon which the order to go on with it had been written; that even when it would be constructed there were eight or nine other portages on the route, over which freight could not possibly pass. Although all this was made as apparent and as clear as sunlight, we had the Government persisting in that work; year after year they voted additional thousands in spite of the remonstrances of the country, and they went on determined at least to spend the public money. Why, hon. gentlemen, Mark Twain's blue jay in its frantic attempts to fill with acorns a knot hole in the roof of a great empty house was mildness and moderation, aye, it was wisdom and provident statesmanship compared with Premier Mackenzie's determined and frantic efforts to construct the Pacific Railway by digging a hole at Fort Frances, one hundred miles away from the line of road. Ah, hon. gentlemen, it is not the money we think of; it is not the hundreds of thousands of dollars that were wasted in this manner, but it is the mortification attendant upon it, of being made the laughing stock of the world. You who have read that blue jay story in Twain's "Tramp Abroad," will remember that when he finally aban-

doned the work and, exhausted, leaned up against the chimney and commenced swearing at his failure in the strongest blue jay vernacular, that all the blue jays in the neighborhood gathered round to examine the mystery, and when one old jay, perched on the half opened door, looking in, saw a ton of acorns scattered over the floor the mystery was exploded, and for years the hard worked jay was laughed at by all the feathered tribe, except one owl from the Maritime Provinces that never could see the joke. And so, hon. gentlemen, it is in this case; the mortification attendant upon the blunders connected with the construction of this work is greater than our regret for the loss of the money. I am glad to know, hon. gentlemen, that some person, for some reason best known to himself, is filling that hole with sawdust. I am glad it will be put out of sight, and, I hope, forgotten. But there comes the thought that in the distant future someone may stumble upon it. What a mystery it will be then for the world. What wise opinions will be formed as to what that hole was excavated for. The scientific world will be deeply interested in it, and learned reports to societies will be made and many opinions given by *savants* as to what the hole was intended for; and then comparisons will be drawn between the hole builders and the mound builders, and the conclusion probably reached that they were in many ways closely identical. Is it any wonder that the Government was defeated and killed at the last election? If there had been no National Policy to engage public attention, I say they would have been killed outright by their railway mismanagement. The remnant that returned here from the elections must have known and felt that they were dead on every question to which public attention had been called, and with ungrateful hearts and hasty hands they laid away the old leader who for five years had labored as scarcely ever man worked for that party. They acknowledged by their act that the old Mackenzie party had ceased to exist, was dead and buried; but, in their haste to form a new one, they forgot to give it a friendly epitaph. They left it to the cold charity of their opponents to record their misdeeds, each one to his fancy, just as the particular deed which took possession of his mind might lead. For example my hon. friend from Belleville who gave a good deal of attention to that hasty purchase of steel rails, that involved the country in millions of dollars of loss, would probably refer to that transaction in the epitaph. Then my hon. friend the Minister of Inland Revenue, who called our attention to that famous solitude on the far-off banks of that quiet, calm, slow-flowing river, that tortuous, ever winding, ever silting, ever sand-barred Kaministiquia, would bring in the transaction connected with the Neebing Hotel and town plot purchase. Or, if these two gentlemen would unite their powers in a kind of duet, they would give us something like this:—

"Stark, stiff and cold as a rusty steel rail it lies,
Where Kamin tiquia jobbers helped outlay it, their stolen pennies on its eyes."

And thus, one after another, would the huge blunders, the marvellous mistakes of that Administration fall into line when given by an opponent's pen. They themselves were in haste to form a new organization and take a new leader. They have the leader, but the principles and policy are wanting. A leader without armor or uniform, nothing but a few old fig leaves, gathered at Aurora, in his hand, but so dry that on the first attempt to make them into a covering they crumbled into dust and left him politically naked — naked and not ashamed. Nevertheless, hon. gentlemen, they are proud of their leader, and so are we all; proud of him as a great athlete in the intellectual gymnasium; proud of him as we are of any of Canada's sons who excel in any specialty; proud of the man who wins in the physical gymnasium; proud of the man; proud we are of Hanlan, and perhaps the pride we have in this leader is something akin to it. But the man in the gymnasium who can out-leap his competitors, or can balance himself most adroitly on the tight-rope; the man who scores the highest at billiards, or show the greatest science at lacrosse, are not the men who are foremost in contributing to the world's progress. Hanlan in his boat on the waters has not yet found his equal, but the Trade and Navigation

Returns do not mention his name. If the world depended upon these men it would go backwards; if we waited for these men to sow the seed and gather the sheaves, there would be no "corn in Egypt;" and because this leader may be able to out-vault others in the intellectual gymnasium, and balance himself upon a sophism or a fallacy finer than a split hair, it does not follow that he is the best calculated for that legislation and that administration of the government that will tend to the happiness and security of the people, and the prosperity and progress of this country. The South Sea islander, naked and astride of his catamaran is said to exhibit marvels of skill and dexterity as he dashes through the surf and rides upon the storm tossed waves; but it does not follow that he should be given command of the Pacific squadron, or put in control of a valuable merchantman; nor does it follow that, because this leader, when the storm of debate is highest and wildest, can fling aside the surf and ride on the highest wave, that he should be put in charge of the ship of State. He has been placed in that ship as one of the crew, but all his labors are given to hinder her progress. No matter upon what course the ship sails, he endeavors to create alarm in the mind of all; always danger ahead. I remember hearing him in connection with this great Pacific Railway question a year ago, striving to create alarm, and have the ship headed for Kansas, and I could not help being reminded of one of our Nova Scotia captains, a very clever young man, but full of crotchets concerning the art of navigation, who spent nearly all his time at sea trying to discover some better system of navigation than that which existed, leaving his ship in charge of the officers at certain times, getting from them the courses and distances that the ship had made, to extend it on his chart, which he kept open on his table. On doing so on one occasion, he rushed on deck shouting wildly, "Hard down your helm! Hard down! Ready about!! We are going to destruction — right on the reefs in amongst the islands!!" Quickly, the ship was put about, and stood off and on, beating about for two days, with every man on board on the lookout for the danger. At the end of two days, the officer went to the captain and said he thought there must be a mistake, and he had better put the ship on her course again. "Mistake," said the captain, "no mistake; we are in a very critical position, destruction right ahead! Look at the chart! Look at the dangerous reefs and the cluster of islands right in our course!" The officer looked at the chart and replied: "Why, captain, there has been a fly on your chart, and that dangerous reef and cluster of islands is merely the tracks of the fly." So, hon. gentlemen, that pet fly of the late Government; that fly, which for five years was sheltered and fattened on the wheel of Grit policy, but driven off in 1878, has settled upon the new leader's chart, and the danger that he fancies and alarms him, is only the track of the fly. If the hon. gentlemen forming the Opposition anticipate ever coming to office; if they hope ever to manage the public business of this country, they should surely assist to have this work taken out of Government hands; for if Mr. Mackenzie with all his remarkable industry and doing "his incompetent best," lamentably failed, depend upon it there will not be success under a leader with a fly on his chart. Before closing, I should refer to the charge that has been made, that in this contract the Government sacrifices the National Policy; that policy which the country declared should be adopted; that policy which the Opposition so fought against. But I think it has been shown that there is no danger in this respect. I am sure that if I saw any danger of sacrificing that policy in the contract which is now before us, I should oppose that contract. I was one of the first who advocated that policy in this House. When the late Hon. George Brown returned, in 1875, from Washington with the proposition to throw open our country to the American manufacturer, free of duty — to have reciprocity in manufactures — I took the opportunity to express my strong disapproval of the proposition. Very few at that time were prepared to go so far as I did in the line of the policy adopted by the party, and accepted by the people in 1878, and strong as were my opinions then as to the value of such a policy to this young and growing country, they are, if possible, strengthened and confirmed by

the experience the country has had under that policy ; and, rather than have it sacrificed, as it is claimed it is by this contract I should prefer to abandon the contract and postpone the work indefinitely. Anxious as I am for the success and prosperity of the North-West, I am more desirous of the welfare of the older provinces. But, hon. gentlemen, the National Policy is not in danger. The amount of material admitted under the contract, duty free, is trifling compared to the enormous amount of work it will give to all our industries. The expenditure within the Dominion by the Syndicate will reach at least forty millions for rolling stock, equipment, material for construction, maintenance of workmen and the multitude of incidentals connected with so vast a work. The manufacturers and producers of the Dominion will be more certain to have all this general work than if the road was being built by Government directly, because the Government could at any time order in as much of the rolling stock or other material, free of duty, as they chose, but the Syndicate must have all, except the few articles named, manufactured within the Dominion, which will help forward our own industries amazingly. And then the Government, relieved of all the weight of care and anxiety which this work has imposed, engrossing all their time and attention, will be able to devote more thought to the general business of the country — to study the workings of this National Policy — to fit the garment to the growing shoulders, and the better ensure our success. But it does seem to me very curious, very marvellous, that the men who so stoutly opposed the protection of home industries should now be so solicitous for them — so sensitive and fearful lest the National Policy should be sacrificed. It is not often that the boy is more careful of his garment than is the parent who, at great care, and toil and cost, provided it for him ; but so it seems to me in this case, and they such naughty boys. How they kicked, and struggled, and pouted, and wouldn't have it ; they declared the garment old and second hand, out of style, out of date, thrown off by the Mother Country, and they would be ashamed to wear it. Foolish lads ! they wished to rank with the advanced politicians of Britain ; forgetting that a principle or policy which one country has outgrown may be of the utmost value to one younger and less developed, just as in this young country, where household economy is so closely studied, there are thousands of lads and lasses clad in garments laid aside by parent or older member of the family, remodelled to suit younger shoulders ; thousands thus clad receiving warmth, vitality and vigor of constitution, and all the more worthy of the manhood and the womanhood to which they aspire, and to which they are advancing, because of no foolish shame of the garments which to them have proved so valuable. Often were we taunted with the cry that this mantle of Protection was old and unfit for use, but we have worn it, and its value and power are becoming known and appreciated. Senators, I read in ancient sacred history that when the chariot of fire and the horses of fire had removed the old prophet Elijah, that Elisha, knowing the value of his old mantle, did not hesitate to take it up. And I read, furthermore, that that mantle, though worn by one and cast aside, and then taken up by another, had its old power. Elisha came to Kedron, and, with the mantle, smote upon its waters, and they parted hither and thither, and on dry, firm ground he passed to the other side. So with this mantle of protection. Although worn by England, until she attained so high a state of perfection in the mechanical and manufacturing industries, and so great prosperity, as no longer to require it ; yet now, in the hands of our Government, it has its old power, for they, smiting upon the stagnant waters of depression which have so long overspread this land, they are parting hither and thither, and our people with this trade policy established, and this great national highway secured, shall henceforth tread on firm ground, and pass over to prosperity.

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FROM G. Ducharme

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