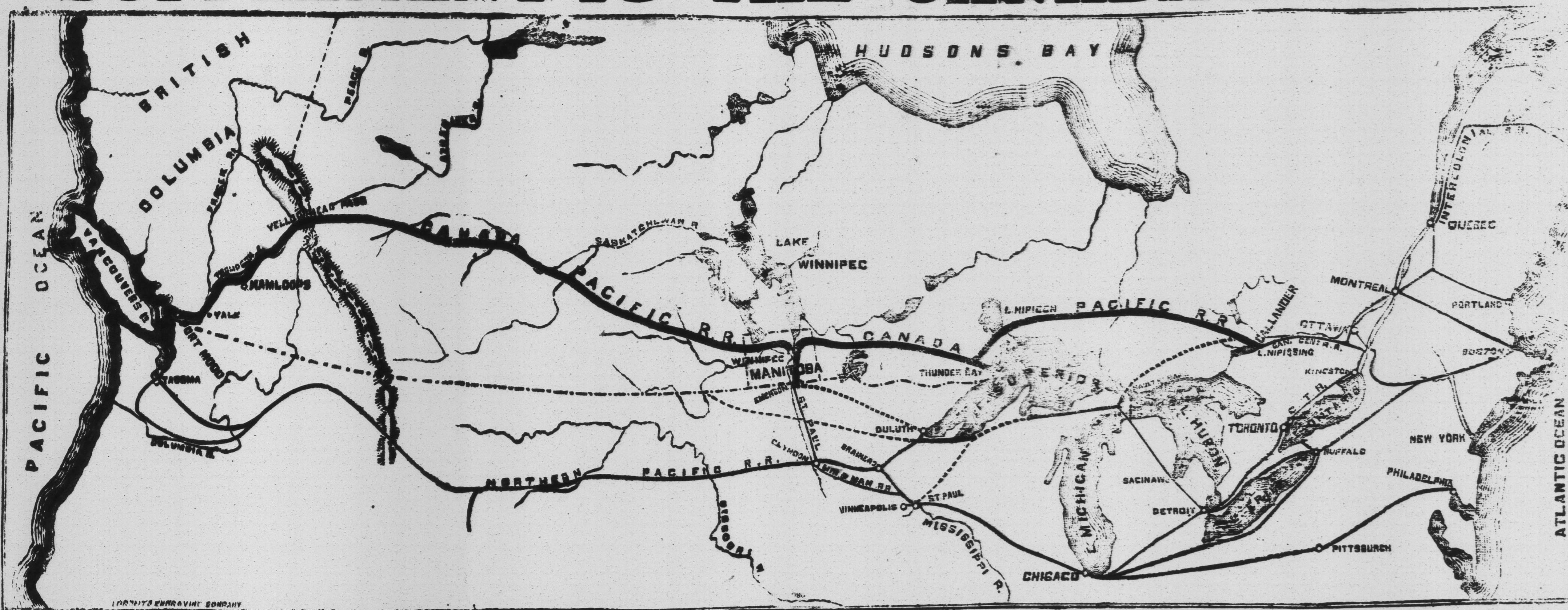
SUPPLEMENT TO THE CANADIAN POST.



This Map shows the Geographical Features of a Section of the Continent between Chicago and Hudson's Bay, and extending from ocean to ocean. The heavy line represents the Canada Pacific. The dotted line South of the Canada Pacific represents the boundary line between Canada and the United States. Other dotted lines represent projected Railway Lines. Continuous straight lines, Railroads completed or under contract.

The Gov'rnment Contract with Syndicate, and Comments upon the Same.

Comparison of the Relative Merits of the Sault Ste. Marie Branch and the line North of Lake Superior.

Comparison of the Mackenzie Scheme of 1874 and the Syndicate Contract of 1880

THIS CONTRACT AND AGREEMENT MADE BETWEEN HER MAJESTY THE QUEEN, acting in respect of the Dominion of Canada, and herein represented and acting by the Honorable Sir CHARLES TUPPER, K.C.M.G., Minister of Railways and Canals, and George Stephen and Duncan McIntyre, of Montreal, in Canada; John S. Kennedy of New York, in the State of New York; Richard B. Angus and James J. Hill, of St. Paul, in the State of Minnesota; Morton, Rose & Co., of London, England, and Kohn Reinach & Co., of Paris, France.

SEC. 2. The contractors immediately after the organization of the said Company shall deposit with the Government $1,000,000 in cash or approved securities, as a security for the construction of the Railway hereby contracted for.

The part of the road to be constructed by the Company is estimated to cost $50,000,000. It will be observed that all the security the Government holds for this vast undertaking is $1,000,000. On a similar basis the erection of a house or the construction of a bridge under the direction of a Municipal Council that would cost $5,000, $100 would be deemed a sufficient security. What private citizen or Municipal Council would take such a risk? Is it not quite clear that such a slender security does not sufficiently protect the public interests?

SEC. 3. The Company shall lay out, construct and equip the said Eastern section, and the said Central section, of a uniform gauge of 4 feet 8½ inches, and in order to establish an approximate standard whereby the quality and the character of the Railway and of the materials used in the construction thereof, and of the equipment thereof may be regulated, the Union Pacific Railway of the United States as the same was when first constructed, is hereby selected and fixed as such standard. And if the Government and the Company shall be unable to agree as to whether or not any work done or materials furnished under this contract are in fair conformity with such standard, or as to any other question of fact, excluding questions of law, the subject of disagreement shall be from time to time referred to the determination of three referees, one of whom shall be chosen by the Government, one by the Company and one by the two referees so chosen, and such referees shall decide as to the party by whom the expense of such reference shall be defrayed. And if such two referees should be unable to agree upon a third referee, he shall be appointed at the instance of either party hereto, after notice to the other, by the Chief Justice of the Supreme Court of Canada. And the decision of such referees, or of the majority of them shall be final.

The standard adopted for this road is that of the Union Pacific when *first constructed*. The following letter signed by three members of the Syndicate shows what they propose to accept now as the standard of the road, but it must be remembered that the terms of this letter are not binding unless inserted in the contract itself.

OTTAWA, [illegible], 1880.

SIR,—With reference to the objections that have been raised to the description in the third clause of the Canadian Pacific Railway contract of the approximate standard named in that clause, we beg to state that when the contract was framed it was not considered that there was any difference of importance between the time of the original construction of the Union Pacific Railway, and the date of the Allan contract. We are therefore prepared to agree on behalf of the Syndicate that the description of the standard shall be construed as applying to the Union Pacific Railway as it was in February, 1873, so that the obligations of the Company will virtually be the same as if that date were substituted in the clause in question for the words "As the same was when first constructed." We have no hesitation in agreeing to this construction, as it is obvious that our own interest will lead us to construct the Railway in a substantial manner with steel rails and efficient equipment, and our reason for desiring that a standard should be named was not in any degree to enable us to construct an inferior railway, but merely to protect us from captious and arbitrary criticism.

We have the honor to be, sir,
Your obedient servants,

(Signed) DUNCAN MCINTYRE,
JOHN S. KENNEDY,
R. B. ANGUS,
behalf of the Pacific Railway Syndicate.
To the Hon. the Secretary of State, for Canada, Ottawa.

The Minister of Railways (Sir Charles Tupper) seemed to be quite unconscious of the low standard which he had adopted for the construction of the Canadian Pacific Railway until the fact was pointed out by the Opposition. In the report of the Commissioners appointed by the U.S. Government to inspect the Union Pacific Road it is stated:—"In estimating the expenditure that will be required in order that the road may be rendered equal to a fully complete, first-class railroad, we have considered that the sum of $6,489,550 will be required. This sum is to be expended in changing the location of the road; completing the embankment to the full width; completing excavation of cuts to the proper grade; cross ties to replace the cotton wood ties; improvement of bridges, culverts, etc." It cannot be urged, that the terms "first constructed" do not apply to the Union Pacific as it was in 1869, because a decision of the Supreme Court of the U. S. has settled that question, by establishing that under the charter of the Company the road was completed in 1869, and the expenditure necessary to make it a first class railroad was subsequently recommended.

The following points are worthy of notice:—

1. The standard adopted in this section is much lower than that contained in the charter of Sir Hugh Allan, which says, "That the Union Pacific as a standard is to be accepted only in a general way, and not with respect to any of its minor details which may be found to be objectionable.

2. It is also different to that contained in the Mackenzie Act of 1874. By section 7, of that Act we find that "The said Pacific Railway, and other branches or sections hereinbefore mentioned, and the stations, bridges and other works connected therewith; and all engines, freight and passenger cars and rolling stock shall be constructed under the general superintendence of the Department of Public Works. And by section 8, "The grades and material and manner of construction shall be such as may be determined by the Governor-in-Council."

3. Why not adopt a Canadian standard—one of easy reference—say the Intercolonial or Grand Trunk Railway?

4. It is proposed to leave the settlement of all disputes as to the standard of the road to three referees. Why not stipulate that these referees should be competent engineers, as was provided in the Allan contract?

By section four, while the Company are obliged to begin work at a certain date, no obligation is imposed to construct a definite portion of the road per annum. If the Company in order to secure the land grant, constructed 900 miles of the Central section immediately, and proceeded with the construction of the eastern section at even the slow rate of five miles per annum, they could not be held liable for breach of contract. And after receiving the lands and money appropriated to the Central section, they could refuse absolutely to construct any other portions of the road. Should not the country have been protected against such a contingency by requiring that a fixed number of miles should be constructed each year?

SEC. 8.—The Company shall pay to the Government the cost, according to the contract of the portion of Railway, 100 miles in length, extending from the city of Winnipeg westward up to the time at which the work was taken out of the hands of the contractor and the expenses since incurred by the Government in the work of construction, but shall have the right to assume the said work at any time and complete the same, paying the cost of construction as aforesaid so far as the same shall then have been incurred by the Government.

The first condition required by this section is that the Syndicate shall pay to the Government the cost *according to the Contract* of the first 100 miles west of Winnipeg, and the expenses *since incurred* by the Government in the work of construction. The portion of the road here referred to was let to John Ryan for the sum of $600,500. This included everything necessary for railway purposes (such as stations, culverts, ballasting, etc.) except the rails. Eighty-one miles are already completed. Assuming the rails to cost $30 per ton (Sir Charles Tupper bought them in 1879 at $20 per ton) the whole cost of this 100 mile section would be $840,500. By section 9, the Syndicate have the right to demand from the Government the sum of $10,000 per mile for 900 miles west of Winnipeg. This would give them $1,000,000 in cash, for a portion of the road for which they paid only $840,500, or a cash bonus of over $1000 per mile.

Let it be observed further that the moment the Syndicate complete their 100 miles they are entitled to receive the absolute conveyance of 12,500 acres of land for each mile, or a total land grant of 1,250,000 acres of the best lands in the North-West. Moreover, Sir Charles Tupper declared in Parliament that this portion of the road would more than pay running expenses, so that the Syndicate get three advantages, (1) a bonus of $1,000 per mile in cash; (2) 1,250,000 acres, which are worth $4 per acre—the estimate put upon it by Sir John Macdonald in 1880—and (3) the profits on running the road.

Under section six the Government enter practically into partnership with the Syndicate, and are therefore liable for breach of contract, should they fail in completing their portion of the road at the time agreed upon.

2. The Government agree still to continue the construction of certain portions of the road, and also to undertake fresh contracts,—to be handed over to the Syndicate when completed—contrary to public expectations. Why not at least let the Syndicate take the risk upon themselves of constructing the very difficult sections from Yale to Port Moody?

SEC. 7. The Railway constructed under the terms hereof shall be the property of the Company; and pending the completion of the Eastern and Central sections, the Government shall transfer to the Company the possession and right to work and run the several portions of the Canadian Pacific Railway already constructed or as the same shall be completed. And upon the completion of the Eastern and Central sections, the Government shall convey to the Company, with a suitable number of station buildings and with water service (but without equipment), those portions of the Canadian Pacific Railway constructed or to be constructed by the Government which shall then be completed; and upon completion of the remainder of the portion of railway to be constructed by the Government, that portion shall also be conveyed to the Company, and the Canadian Pacific Railway shall become, and be thereafter the absolute property of the Company. And the Company shall thereafter and forever efficiently maintain, work and run the Canadian Pacific Railway.

1. Special attention should be given to the words "pending the completion of the Eastern and Central Sections, the Government shall transfer to the Company the possession and right to work and run the several portions of the Canadian Pacific Railway already completed, or, as the same shall be completed." This will give the Syndicate the right to demand the transfer to them by the Government of the Pembina Branch—thus practically placing the whole trade of the North-West in the hands of the Syndicate. And when it will be noticed, that no provision is made for suitable protection against extortionate rates of freight, it will be apparent, what an enormous advantage is hereby conferred upon them.

2. When the Thunder Bay Branch is completed, that too is to be transferred to the Syndicate, and thus the only other means of access to the North-West will be in their hands. Both gateways to the North-West, will be closed so far as all other competing lines are concerned, and the trade between the older Provinces and Manitoba absolutely at their mercy.

3. By the latter part of this section the Company "shall thereafter and forever *efficiently maintain*, work and run the Canadian Pacific Railway." There is no definition given by what is meant by the words "efficiently." Who is to decide this matter? Under the Act of 1874, sec. eight, it was provided that the "Governor in Council should regulate rates of freight, number of trains, passenger charges, etc.," thus affording some security that the public interests would not be entirely disregarded.

SEC. 9. In consideration of the premises, the Government agree to grant to the Company a subsidy in money of $25,000,000, and in land of 25,000,000 acres, for which subsidies the construction of the Canadian Pacific Railway shall be completed and the same shall be equipped, maintained and operated, the said subsidies respectively to be paid and granted as the work of construction shall proceed, in manner and upon the conditions following, that is to say:—

a. The said subsidy in money is hereby divided and appropriated as follows namely:—

CENTRAL SECTION

Assumed at 1,350 miles—

1st. 900 miles, at $10,000 per mile....	$9,000,000
2nd. 450 " " 13,333 " "	6,000,000
	$15,000,000.

EASTERN SECTION.

Assumed at 650 miles, subsidy equal to $15,384.61 per mile..........	10,000,000.
	$25,000,000.

And the said subsidy in land is hereby divided and appropriated as follows, subject to the reserve hereafter provided for.

CENTRAL SECTION.

1st.—900 miles, at 12,500 acres per mile.........	11,250,000
2nd.—450 miles at 16,666.66 acres per mile........	7,500,000
	13,750,000.

EASTERN SECTION.

Assumed at 650 miles, subsidy equal to 9,615.35 acres per mile......	9,250,000
	25,000,000

b. Upon the construction of any portion of the railway contracted for, not less than 20 miles in length and the completion thereof so as to admit of the running of regular trains thereon, together with such equipment thereof as shall be required for the traffic thereon, the Government shall pay and grant to the Company the money and land subsidies applicable thereto, according to the division and appropriation thereof made, as hereinbefore provided; the Company having the option of receiving in lieu of cash, terminable bonds of the Government, bearing such rate of interest for such period and nominal amount as may be arranged and which may be equivalent according to actuarial calculation to the corresponding cash payment the Government allowing four per cent. interest on monies deposited with them.

c. If at any time the Company shall cause to be delivered on or near the line of the said railway, at a place satisfactory to the Government, steel rails and fastenings to be used in the construction of the railway, but in advance of the requirements for such construction, the Government, on the requisition of the Company shall, upon such terms and conditions as shall be determined by the Government, advance thereon three-fourths of the value thereof at the place of delivery. And a proportion of the amount so advanced shall be deducted according to such terms and conditions from the subsidy thereafter paid, upon the settlement for each section of 20 miles of railway, which proportion shall correspond with the proportion of such rails and fastenings which have been used in the construction of such sections.

By this section it is provided that a subsidy of $25,000,000 in cash and 25,000,000 acres of land shall be granted in proportion to the rate of progress upon the sections named. Upon examination it will be found that the apportionment of aid, in money and lands to the various sections, is unequally and unjustly distributed. A fair mode of distribution would have been to base the apportionment upon the actual estimated cost of each section, and if any deviation were made from that rate, the extra aid should obviously have been granted to those portions of the road which were likely to secure the least business when completed, and to be run at a loss in order to make up for probable future loss in keeping them open for traffic. To arrive at a fair *pro rata* distribution of the aid in money and land it will be fair to take the total estimated cost of the Central and Eastern sections, and see how many cents upon the dollar of cost, the money aid would amount to, and also what fraction of an acre the land grant would amount to upon each estimated dollar of cost. To arrive at the estimated cost of that portion of the Railway to be constructed by the Syndicate designated in the above Section as the Central and Eastern section, and estimated to be somewhat over 2,000 miles in length, the most definite and reliable data will be furnished by Mr. Sandford Fleming's estimates laid before Parliament by Sir Charles Tupper in April, 1880. According to these estimates, the Eastern section north of Lake Superior would cost $20,000,000 for 600 miles; at which rate the line from its starting point on Lake Nippissing to the junction with the Thunder Bay division, north-west from Thunder Bay—an estimated distance of 683 miles—would cost $22,776,000. The 1,000 miles from Selkirk, upon Red River, westward to Jasper, it was estimated would cost $13,000,000. And the 330 miles from Jasper to Kamloops, it was estimated would cost $15,500,000, and a lump allowance of $500,000 in addition. These estimates amount to a total sum somewhat higher than the lump estimate for the whole line, but the relative proportions are about the same.

Under the division in the apportionment of subsidy, made by the above section 9, sub-section *a*, the order of last year which designated the 1,000 miles west of Selkirk as the Prairie Section; and the 350 miles from Jasper to Kamloops as the Mountain Section, is not adhered to; but the whole 1,350 miles is designated as the Central Section, which is divided for the purpose of apportioning subsidy into two sections of 900 miles and 450 miles respectively. As the estimated cost for 1,000 miles west from Selkirk last year was $13,000,000, the cost of the first 900 miles at the same rate would be $11,700,000; but as the 100 miles east of Jasper, which was then included in the Prairie Section, but is now, by the terms of the above Section 9, added to the Mountain Section where it properly belongs, will cost more than the 900 miles of the Prairie Section by, at least, $9,000 per mile, it is proper to place the estimated cost of the 900 miles from Selkirk westward, constituting the Prairie Section of the Central Section at $10,800,000. And the next 450 miles constituting the Mountain portion of the Central Section, at $18,200,000.

The amount of cash subsidy applicable to each dollar of estimated cost upon the above estimate, is a fraction over 48 cents, and the amount of land applicable to each dollar of estimated cost is a fraction less than half an acre. Upon this fair and proper *pro rata* mode of apportionment based upon actual estimated cost, the cash and land subsidy would be divided as follows:—

Eastern Section, 683 miles........	$11,093,000
Eastern Section, 683 miles, land acres	11,050,000
Prairie portion, Central section, 900 miles..................	5,214,000
Prairie portion, Central section, 900 miles, land acres............	5,214,000
Mountain portion, Central section, 450 miles..................	8,786,000
Mountain portion, Central section, 450 miles, land acres.........	8,736,000

The assumed length of the Eastern section as given in section 9, sub-section *a*, is 650 miles. Sir Charles Tupper, however, has recently stated that the length to the point of the junction with the Thunder Bay Division is 683 miles, upon which statement the above calculation of *pro rata* apportionment is made. Were 650 miles assumed as the length of the Eastern section, the *pro rata* apportionment to the different sections would vary but slightly from the above estimate.

By the actual apportionment made by the above, section 9, sub-section *a*, the cash and land subsidy is divided as follows:

Eastern section, 683 miles.........	$10,000,000
Eastern section, 683 miles, land acres	6,250,000
Prairie portion, Central section, 900 miles..................	9,000,000
Prairie portion, Central section, 900 miles, land acres............	11,250,000
Mountain portion, Central section, 450 miles..................	$6,000,000
Mountain portion, Central section, 450 miles, land acres.....	7,500,000

By this apportionment the Prairie portion of the Central section receives in addition to its own fair *pro rata* apportionment of land and cash subsidy, from what property belongs to the other sections, as follows:—

From the Eastern section, 683 miles	$1,000,000
From the Eastern section, 683 miles land acres..................	4,750,000
From Mountain portion of Central section, 450 miles.....	$2,736,000
From Mountain portion of Central section, 450 miles, land acres..	1,236,000

If the land is valued at $2 per acre, the Eastern section is despoiled of aid in money and land properly belonging to it, for the benefit of the Prairie section of $10,500,000. If the land is valued at $3 per acre of $15,250,000. If the land is valued at $4 per acre, of $20,000,000; and the Mountain or Western portion of the Central section is despoiled of aid in money and land for the benefit of the Prairie section of $5,358,000 at $2 per acre; of $6,644,000 at $3 per acre; and of $7,930,000 at $4 per acre. The actual apportionment in cash and land, it will thus be seen, gives an undue and unjust advantage to the Prairie section of 900 miles which is first to be built, at the expense of the Eastern section and of the Mountain or British Columbia portion of the Central section as follows:—

From both Eastern, and Mountain portion of Central section, at $4 per acre for land............	$27,930,000
From both Eastern and Mountain portion of Central section; at $3 per acre..................	$21,894,000
From both Eastern and Mountain portion of Central section; at $2 per acre..................	$15,888,000

The question of the value of land may properly be referred to in this connection. Section 11 provides that the Company may select their land grant in the fertile belt, in alternate sections, and may reject all lands not *fairly fit for settlement*, so that it may fairly be assumed that their grant will consist of choice and selected lands. Last year the Government valued the lands set apart for railway purposes at $5 per acre in a belt of 5 miles wide upon each side of the Railway, at $4 per acre in the next belt of 20 miles wide on each side of the Railway, and at $3 per acre in the next belt of 20 miles wide on each side of the Railway. It will be found that the average price of land sold by the various American Railway Corporations which have been aided by land grants, *largely exceeds $4 per acre.* For the purpose of comparison, it will be fair to take the price received for railway lands in the State of Minnesota which is a country similar in character to, and adjoining the Canadian North-West, and which is still a new State with a large area of unoccupied lands. A recent return of land sales by five of the land grant, railway corporations of that State, viz., the Southern Minnesota, the St. Paul and Pacific, the Minnesota Central, the St. Paul and Sioux City and the Northern Pacific, shows that the average price received for the lands sold by these corporations is *over $6 per acre.* The significant fact should also be borne in mind that while the influx of immigration to North America continues large and the population increases rapidly, the area of land suitable for settlement is *rapidly diminishing.* Minnesota, Dakota, Nebraska and Kansas will soon be fully occupied, and then a great tide of immigration must turn to the fertile lands of the Canadian North-West. Under all these conditions it is reasonable to assume that 25,000,000 acres *of selected and fertile lands, adjacent to the railway which the Syndicate proposes to construct in the North-West, will be worth $[illegible] per acre, and that a large margin will be allowed for advance in price.*

The design of the gentlemen composing the Syndicate, in securing the unfair apportionment of aid in money and land to the Prairie portion of the Central section at the expense of the Eastern section, and the Mountain portion of the Central section is quite apparent. In the event of the construction of the expensive Eastern section being in the meantime postponed as prudence and common sense would dictate in view of the fact that a better outlet can be secured for the Canadian North-West south of Lake Superior via the Sault Ste. Marie, at a trifling expense, the Syndicate would be [illegible] to the extent of from $10,500,000 to $20,[illegible], governed by the estimated value of the land; and in the event of the work being proceeded with and completed, the Syndicate would have the use of a large sum of money properly belonging to the Eastern Section probably for five years, as the Prairie portion of the Central section it is supposed will be completed five years earlier than the Eastern section. The Syndicate will also have the use of a large sum of money properly belonging to the Mountain portion of the Central section for some years before its work is performed, as five years may elapse after the completion of the Prairie Section before the Mountain portion of the Central section is completed.

By sub-sec. *d* of section [illegible] it is provided that the Company are to receive the portion of aid in money and land pertaining to the same *as fast as sections of 20 miles are completed*, so that the excessive and unfair apportionment of land and money aid for the Prairie section will be received in the proportion of two ninetieths ([illegible]) of the entire amount as each 20 mile section is constructed.

By sub-sec. *c* of section [illegible] it is provided that the Government shall advance to the Syndicate *three-fourths of the value of steel rails and fastenings* at the place of delivery, where of course freight would be added to first cost. *This provision will enable the Syndicate to obtain the use of large sums of money from the Government* before the progress of work and the outlay of money entitles them to it.

Enormous powers of raising money by the issue of shares and bonds are conferred by the contract and [illegible]. For the purpose of constructing the portion to be built by them, the cost of which is estimated at $48,500,000, the Syndicate are empowered to issue:—

1. Ordinary Shares..................	[illegible]
2. Preferred Stock, $10,000 per mile..................	27,000,000
3. Bonds on roads and lands, $20,000 per mile..................	54,000,000
Total..................	106,000,000
To which add the bonus..........	25,000,000
Making in all..................	131,000,000

permitted to be received by this gigantic monopoly for building railways to the estimated value of $48,500,000, and which they are to own; or, deducting the cash payment of 25 millions, we have $106,000,000 for doing work to the value of $23,500,000.

Or, the Company are empowered to raise on Ordinary and Preferred Stock:

As before..................	$52,000,000
On Bonds in Section 28 of the Bill $10,000 per mile..................	27,000,000
Land Grant Bonds, Section 30....	25,000,000
Bonus..................	25,000,000
	$129,000,000

To build $18,500,000 worth of Railway for themselves.

Still another option is granted by Section 31 of the Bill:—

Instead of taking the cash bonus the Company may accept a Government guarantee of interest on a practically unlimited amount of bonds, and receive such bonds under Sub-section *d* of Section 9, to a much larger extent, than is provided for the payment of the money alone, and these bonds, if the credit of Canada is to be maintained, should be saleable at or above 100 cents on the dollar.

No such extraordinary borrowing powers have been granted by the Parliament of Canada, even to roads which have been unprofitable, and have been forced to raise money by paying excessive rates of interest, or by disposing of their securities at very low rates.

It will thus be seen how easily the Company can fortify their immense land monopoly and place their lands in the market at convenient seasons to their own aggrandizement and to the disadvantage of the settler.

SEC. 10.—[illegible] the Company the lands required for the road bed of the railway, and for its stations, station grounds, workshops, dock ground and water frontage at the termini on navigable waters, buildings, yards, and other appurtenances required for the convenient and effectual construction and working of the railway, in so far as such lands shall be vested in the Government. And the Government shall also permit the admission free of duty, [illegible] steel rails, fish plates and other fastenings, spikes, bolts and nuts, wire, timber and all material for bridges to be used in the original construction of the railway and of a telegraph line in connection therewith, and all telegraphic apparatus required for the first equipment of such telegraph line; And will convey to the Company at cost price, with interest, all rails and fastenings bought in or since the year 1879, and other materials for construction in the possession of or purchased by the Government at a valuation, such rails, fastenings and materials not being required by it for the construction of the said Lake Superior and western sections.

There are three important points made in this section.

1. The [illegible] 1874 [illegible] buildings [illegible] and roadway [illegible] vested in the Government.

This section [illegible] thus virtually [illegible] to the Syndicate [illegible] property [illegible] way.

2. [illegible] Government shall [illegible] free of duty [illegible] fish plates and other fastenings, spikes, bolts and nuts, wire, timber, and all material for bridges to be used in the construction of the railway, and of a telegraph line [illegible] telegraphic apparatus required for the first equipment [illegible].

When the [illegible] Union Pacific Railway [illegible] constructed it was [illegible] construction and equipment [illegible] should be [illegible] this contract [illegible]. Does it [illegible] of duty [illegible] Syndicate [illegible] lieved [illegible] burdens upon [illegible]. Instead of [illegible] to in Section [illegible] duty [illegible] McIntyre [illegible] $5,000,000 [illegible].

3. By [illegible] steel rails [illegible] since 1879 [illegible] interest. The effect of this will be to enable the Syndicate [illegible] as it was [illegible] rails [illegible] 1879 Sir Charles Tupper [illegible] tons of steel rails at [illegible] per ton [illegible] 1880 was $5[illegible] per ton.

SEC. 11. The grant of land hereby agreed to be made to the Company, shall be so made in alternate sections of 640 acres each, extending back 24 miles deep on each side of the railway, from Winnipeg to Jasper House, in so far as such lands shall be vested in the Government, the Company receiving the sections bearing uneven numbers. But should any of such sections consist in a material degree of land not fairly fit for settlement, the Company shall not be obliged to receive them as part of such grant; and the deficiency thereby caused and any further deficiency which may arise from the insufficient quantity of land along the said portion of railway, to complete the said 25,000,000 acres, or from the prevalence of lakes and water stretches in the sections granted (which lakes and water stretches shall not be computed in the acreage of such sections), shall be made up from other portions to be selected by the Company in the tract known as the fertile belt, that is to say the land lying between parallels 49 and 57 degrees of north latitude, or elsewhere at the option of the Company by the grant therein of similar alternate sections extending back 24 miles deep on each side of any branch line or lines of railway to be located by the Company, and to be shown on a map or plan thereof deposited with the Minister of Railways; or of any common front line or lines agreed upon between the Government and the Company, the conditions hereinbefore stated as to lands not fairly fit for settlement to be ap li-