

which it was proposed would be raised as follows:—Bonus capital unexpended, \$112,960; Government aid already granted, at \$2,000 per mile, \$305,000; proceeds of \$10,000 per mile bonds to be sold at \$7,500, \$1,188,750; municipal bonuses yet to be granted, \$312,000; additional Government aid at \$1,000 per mile, \$152,500; which would in all make a financial basis for the purpose of building the road. It had been urged that, supposing the Government aided the road, it would not be completed. The promoters of the road and the people along its line represented that, in view of the fact of having voted and expended nearly one million of money, which amount had been well expended towards the building of the road both on the main line and its branches, it would be possible to complete it if the additional Government aid were granted. The Government, believing there was reason for making this assertion, had come to the conclusion, in view of the large amount expended, that they should not refuse to place at the disposal of the Company the sum of \$1,000 per mile, and give them an opportunity of doing what they said they could do. The Government had also been influenced by the fact that if the road were not completed the amount would not be expended. The Government did not think it would be justified in assuming the responsibility of refusing further aid to an undertaking commenced in good faith. As might be expected, the road had the opposition of two powerful Companies, the Grand Trunk and the Great Western, but he did not know that because a certain gentleman occupying a prominent position at the head of a large railway corporation had thought it right and proper to state that no more money should be invested in Canadian railways, we should bow our heads meekly, and say that we should give no more aid to such enterprises. (Hear, hear.) He thought we should judge these matters for ourselves, and should only grant aid where it was not probable that the roads would be completed without such aid. This position the Government had taken with regard to the Credit Valley. Taking everything into consideration, the large amount of money expended upon it, the confidence of the people along its line that it would be completed; the fact that the municipalities which might be called tributary to the road were populated by over 300,000 people, he did not think the House would say that the Government would have been justified in saying to the municipalities, "We have already given the road \$2,000 per mile; we don't care whether it is built or not, and we will allow you to sacrifice the whole \$900,000 which you have granted to the road, rather than give you the \$1,000 per mile which is necessary to complete the construction." He might say, however, that the grant should be locked upon as a finality so far as this road was concerned. He did not think the Company could ever be in a position to come back asking for a single dollar more for their road, or that the people along the line could ask for any further assistance. (Hear, hear.)

Mr. MEREDITH—Is the Government satisfied that the road can be built with this additional grant?

Mr. PARDEE said the Government was reasonably well satisfied on that point. His hon. friend the Treasurer had just pointed out to him that the amount of stock actually held by the Company was \$279,000. The next road which it was proposed to aid was the Victoria Railway. This road was considered to be a colonization road, and it was completed from Lindsay to Kilmount, a distance of 33 miles. Its objective point was the conflux of the Ottawa and Mattawan rivers, but it was only proposed to aid the road a distance of 22 miles, from Kilmount to Haliburton, the latter being a village within the territory of the English Land Company. The road was estimated to cost, including rolling stock, the sum of \$18,912 per mile, or \$416,000 for the 22 miles which it was proposed to aid. Its financial basis would be understood when he stated that the Government bonus of \$8,000 per mile amounted to \$176,000. The English Land Company had agreed to give \$3,000 per mile to the six miles of the road that were within their territory, or in all \$18,000. The bonus from the Haliburton district to aid the road from Kilmount to Haliburton amounted to \$55,000. Then it was proposed that the Company should issue bonds on the credit of the road at the rate of \$7,000 per mile for the 22 miles, which would amount to \$154,000, or

a total from all sources of \$403,000. It was estimated \$416,000 would be required to build these 22 miles. The amount of aid given this road was equal to \$892 16 per mile per annum for twenty years. This Company was really the first that had regularly, earnestly, and energetically gone to work to penetrate into the very heart of the unsettled lands of the Province. (Hear, hear.) If hon gentlemen would take the trouble to look at the map they would find that this road was proposed to be run from Haliburton to the mouth of the Mattawan, through the very centre of that large portion of our territory which at the present time was unsettled, and which was likely to remain so for the next half century, unless some such road as the Victoria was built through the district. In connection with the Victoria road it was proposed by the Government to set aside a strip of land twenty miles wide, ten miles on each side of the road, to form the source of a fund to repay the Government for the grant to the road. This tract would extend from the northern boundary of the English Land Company's territories to the River Ottawa at or near the mouth of the Mattawan River, a distance of 66 miles. This tract would include 844,800 acres, which, as he had already stated, it was proposed to set aside so as to form a separate fund for the purpose of recouping the Province for the moneys expended on the road. He might remark that it was not the intention of the Government to aid the road from Kilmount right through at one time. They only proposed to aid it in sections, and, if they should have the good fortune to remain in power, to continue the aid as circumstances might require and the building of the road might necessitate. When the road should be built from Kilmount to Haliburton, and it was shown that there was a fair prospect of completing it further, the Government might see it their duty to give the Company such reasonable assistance as the railway fund would permit. The Government considered that the building of this road into a country virtually unsettled would promote settlement, and it was only right that the land which would be settled by means of this line should contribute and pay towards its building. There were about seven millions acres of land unlocated in the free grant territory. The area of the old counties south of the free grant territory was 20,000,000 acres, so that about 25 per cent. of our lands were yet unsettled and unlocated. He believed this state of things might continue for the next century unless by some means of this kind a railway could be built that would penetrate the very heart of the unsettled lands. The price proposed to be asked for the lands set apart would be not less than \$2 per acre, reserving the proceeds of the pine timber thereon, which it was not proposed should form part of the fund. The Government reserved the right to take less than \$2 per acre if it were shown that any portion of the lands were not worth that amount, but taking the average character of the district it would be fair to suppose that the Province would realize at least \$2 per acre. The Government were not altogether in the dark as regarded the character of these lands. They had been examined at various times, and there was a large quantity of good farming land between North Victoria and the River Mattawan. In 1864 a Committee of the House of Commons was appointed for the purpose of considering the feasibility of taking steps to settle the district between the Georgian Bay and the Ottawa River, and they enquired into the character of lands forming a portion of the same territory the Government proposed to set aside. The Committee reported that these were the only good lands in the possession of the Crown in that district. Mr. Keefer, the well known engineer, reported that the soil of the Ottawa and Huron tract was at least equal to that of New England, while the good land was better and the inferior lands worse than the land in New Hampshire and Vermont. Mr. Keefer pointed out that the only way to settle these districts was by building a railway. Mr. Ross, chief engineer of the Victoria Railway, who had traversed the country, stated that the land in the vicinity of certain lakes was of excellent quality, and covered with good timber. The hon. gentleman gave several extracts from the reports of Messrs. Keefer and Ross, testifying to the good character of the lands, and proceeded to say that the evidence was in favour of a considerable portion being fit for settlement, and the expectation of the Government that they would realize \$2 per acre was not un-