

273. The total amount expended during the five years, exclusive of the Pacific Railway loan, and of the advance to the St. John Bridge and Extension Railway, has been \$63,844,948.

Part II.—The Canadian Pacific Railway.

274. One of the conditions required by British Columbia in 1871, when that Province entered Confederation, was that a railway should be built connecting it with the Eastern Provinces, and in consequence the Dominion Government pledged itself to begin the construction of such a road within two years, and have it finished within ten years, the road to be begun at both ends at the same time.

275. Numerous surveys were made, and it becoming very necessary to reach Manitoba by some other route than through the United States, a line was begun from Port Arthur to Winnipeg, it being the intention of the Government of that time to utilize the system of inland navigation as far as possible. This work was begun on the 3rd April, 1875, and that may be considered as the date of the actual commencement of the Canadian Pacific road.

276. It was found impossible to finish the line according to the original terms, and, after several attempts at arrangement had failed, the matter was referred to Lord Carnarvon, Her Majesty's Colonial Secretary. At his suggestion, amended terms (known as the Carnarvon terms) were agreed to, and the time extended to 1890.

277. Except in the partial construction of the line to Winnipeg, and in additional surveys, little more was done until the year 1880, when a number of capitalists formed a syndicate, and agreed under certain conditions to build an all-rail route across the continent to the Pacific coast, and accordingly a contract, dated the 21st day of October, 1880, was made by the Government with the Canadian Pacific Railway Company, for the building of a line of railway between Callander, Lake Nipissing, and Port Moody, British Columbia, which contract was, by an Act passed in the Session of 1881, 44 Victoria, chapter 1, approved of and ratified by Parliament.

278. By this contract, the Company undertook to construct the portions between Callander and Port Arthur, and between Red River and Savona's Ferry (Kamloops) British Columbia, the Government undertaking to complete building the portions between Port Arthur and Red River, and between Savona's Ferry and Port Moody, which portions were, when completed, to be handed over to the Company, and the whole line was to be completed and equipped by the 1st May, 1891.

279. In addition to the sections of railway above mentioned, a subsidy was, by the Act of 1881, granted to the Company, consisting of \$25,000,000 in money, and 25,000,000 acres of land.

280. In 1884, the Company represented to the Government, that if a certain sum of money was advanced to them, they would undertake to have the road com-