

terms (known as the Carnarvon Terms) were agreed to, and the time extended to 31st December, 1890.

504. Except in the partial construction of the line to Winnipeg (which section of the road was eventually opened for traffic in May, 1883) and in additional surveys, little more was done until the year 1880, when a company was formed, which agreed, under certain conditions, to build an all-rail route across the continent to the Pacific coast, and for that purpose a contract, dated the 21st October, 1880, was made with the Government 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.

Second
company
formed.

505. The Canadian Pacific Railway Company was incorporated by letters patent, the 16th February, 1881.

Incorpo-
ration.

506. 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 the building of 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.

Terms of
contract.

507. In addition to the section 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.

Subsidy.

508. The work was now vigorously proceeded with, the location of the line west of Winnipeg was completely changed, a more southerly route being taken, and the Kicking Horse Pass through the Rocky Mountains was chosen

Progress
of work.