

instead of the Yellowhead Pass, and by the end of 1882 trains were running 605 miles west of Winnipeg.

Interest
guaranteed by
Government.

509. So great, however, was the hostility of the Grand Trunk Railway Company and of the American Pacific Railway Companies, and so actively did they use their influence that the new company found the money markets of London and New York practically closed against it, making it impossible for them to obtain funds for the progress of the work, and to aid them at this crisis, the Government, on 10th November, 1883, agreed to guarantee the interest at 3 per cent. per annum on \$65,000,000 stock, for ten years, from the 17th August, 1883, the Company depositing with the Government moneys and securities to the extent of \$15,942,645, and also depositing certificates of shares to the value of \$35,000,000, being the remaining capital stock, such stock when withdrawn to be placed on the market, to be replaced by equivalent securities. From the above sums the Government undertook to pay as interest half yearly to the Bank of Montreal the sum of \$975,000. Towards the sum of \$15,942,645 the Company paid on 16th November, 1883, the sum of \$8,561,733 and undertook to pay \$2,853,912 on 1st February, 1884, and the balance, amounting to \$4,527,000, within five years, with interest at 4 per cent.

Proposition for an
advance.

510. About this time the Company represented to the Government, that if Parliament would advance a certain sum, they would undertake to complete the road at a much earlier date than that named in the contract.

Terms of
loan.

511. This proposition was agreed to by the Government, and in the Session of 1884 an Act, 37 Victoria, chapter 1, was passed, by which a loan of \$22,500,000, with interest at 5 cent., and payable in May, 1891, was made to the company, security being taken for the same by a mortgage on their entire property. Of this sum, \$7,500,000 was paid to the