

\$9,486,565 had been expended on December 31st, 1879, on 710 miles in various stages of advancement.

In 1880, reverting to their original policy of construction by a private company, the Macdonald Government entered into a contract with the Canadian Pacific Railway Syndicate. That contract provided on the part of the Government (1) for a cash subsidy of \$5,000,000 and a land grant of 25,000,000 acres; (2) for the admission free of duty of all 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 and all telegraphic apparatus for the first equipment of the telegraph line; (3) that for 20 years from the date of the contract no line of railway should be authorized by the Dominion Parliament to be constructed south of the Canadian Pacific line except such line as might run south-west or to the westward of south-west, nor to within 15 miles of latitude 49; (4) for freedom from taxation forever so far as the company's railway property was concerned, and for 20 years for such portion of the land grant as should not be sold or occupied; (5) that the several sections of the railway already constructed by the Government or under contract should, when completed by the Government, become the property of the company, and (6) that the Government should grant the requisite lands for right of way, stations and other purposes specified in the contract.

On the part of the company the contract provided (1) that it should complete the railway according to a fixed standard; (2) that the railway should be completed, equipped and in running order not later than 1st May, 1891, and (3) that the company should thereafter and forever efficiently maintain and run the railway.

When the contract was brought before parliament in the session of 1880-81, a strong fight was made against it by the Opposition. Mr. Blake moved the first amendment which was lost 54 to 140. Twenty-three other amendments were moved and voted down by majorities varying from 73 to 62. The resolutions were reported on, the vote standing 108 for to 46 against.

Letters patent, witnessed by Lord Lorne, were granted to the Canadian Pacific Railway Company on the 16th February, 1881, and the first sod under the contract was turned on the 2nd May following.

365. When the company started it had to build about 2,000 miles of railway. By the close of the year, 163 miles had been constructed by the company west of Winnipeg. In 1882 a further distance of 423 miles had been laid with rails. In December, 1883, Laggan, near the summit of the Rocky Mountains and 956 miles from Winnipeg, was reached by the railway.

The Government prosecuted work on the line eastward from Winnipeg, and Port Arthur, 430 miles from that city, was connected with it, in May, 1883.

During 1884 the company attacked and mastered the difficult section north of Lake Superior, employing an army of 10,000 to 12,000 navies and and 1,500 to 2,000 teams of horses. Twelve steamers were employed to bring supplies for the men and teams engaged. This section was completed early in 1885 and opened for traffic in the autumn.

Simultaneously with the operations north of Lake Superior work was energetically prosecuted in the mountains of British Columbia, and in less