

made during the speech of the hon. member for North Norfolk (Mr. Charlton).

CANADIAN PACIFIC RAILWAY RESOLUTIONS.

Mr. IVES. Until the House met this afternoon, and you had taken the Chair, Sir, I had not expected to take part in this debate at this stage, and I can only express my regret that the gentleman whom I expected to have seen taking part in the debate at this stage, and who is, I regret to say, obliged to be absent, is not here to perform the task much more ably than I can expect to perform it. I regret it all the more because I was not able to be present during the debate of yesterday, and did not have the opportunity of hearing the hon. gentleman during that part of his speech which was delivered yesterday, and I shall therefore be obliged to confine myself, in whatever notice I take of his remarks, to that portion of his speech which was delivered this afternoon. The hon. gentleman, in the first part of his speech delivered this afternoon, I presume, in order to show that the anticipations of the railway company, of being able to pay their fixed charges, are not likely to be realised, stated that the company, unfortunately, had selected the wrong route, that it would have been very much better, for a variety of reasons which he gave, if they had adopted the route through the Yellow Head Pass, which the hon. member for East York (Mr. Mackenzie) had approved of before his retirement from office, and that, as several of the results of this change of route from the Yellow Head Pass to the Kicking Horse Pass, the land through which the road passed was much inferior in quality to what it was further north, the grades and curves were much less favorable, and he then gave us a most harrowing account of snow slides and avalanches that had occurred, and are likely again, at any moment, to occur along the route of the existing line. I am sure the first travellers—and they must be the most courageous of our population—who undertake to travel through upon the first train that goes to the Pacific Ocean, will have occasion to tremble, and probably will not enjoy their ride, more particularly if they read the somewhat lengthened remarks of the hon. gentleman, in order to appreciate his opinion of the danger which results from snow slides and avalanches in the Kicking Horse Pass. He then told us that it could not be expected that this railway company could obtain anything at all worth considering, in the way of China and Japan trade, that is to say, through trade from Asia to Europe. He told us they could not expect it, because, up to the present moment, the trade which had been done by the American railways, of that character, had been very small indeed. Next, he told us that the company must expect a very small local business throughout the extent of their line, because the population at the present time is not over 200,000, and it was not worth our while to compare the prospects of the Canadian Pacific with the prospects of the Northern Pacific, because the population more or less tributary to the Northern Pacific amounted, not to 200,000, but to about two millions of people. The hon. gentleman then proceeded to minimise the earnings of the road, and in order to minimise the earnings of the road, he laid down, what I think railway men, with all due deference to him, would declare to be something entirely new in the matter of net earnings.

Mr. BLAKE. Oh, no.

Mr. IVES. He objects to the company's taking from the gross earnings the operating expenses, and calling that net earnings.

Mr. BLAKE. No, I did not.

Mr. IVES. I beg pardon; I so understood the hon. gentleman. I understood him to object to that, and to say that from that result should be deducted the fixed charges, the

Mr. MACMASTER.

rentals and the interest payable on the purchase of the Canada Central and the Quebec, Montreal and Occidental Railway.

Mr. BLAKE. What I pointed out was, that if I was endeavoring to ascertain what the net earnings of the Canadian Pacific Railway proper, the contracted line, were it would be essential not to charge those net earnings with a portion of the interest, expenses and fixed charges connected with the acquired and leased lines. I do not at all object to the usual mode of ascertaining the net earnings of a railway, which is to take the working expenses and the gross earnings, and then deduct the working expenses from the gross earnings, to show the net earnings, but I said that the earnings of the main line of the Canadian Pacific Railway ought not to be charged with the fixed charges of the leased lines and the acquired lines.

Mr. IVES. I certainly misunderstood the hon. gentleman. I understood him to mention \$60,000 as what he considered the proper net earnings of the Canadian Pacific Railway to be, rather than what they returned.

Mr. BLAKE. Not at all. I estimated \$1,560,000.

Mr. IVES. Then he refers to the excessive cost, by reason of its rapid construction, and goes on to say that the grades are much greater and the curves much worse than those on the Union Pacific, which he insists, without the Central Pacific, which is part of the Union Pacific, is the standard fixed by the contract. He then proceeds to tell us that the price of land is very much less in the market than it was; that it can hardly be expected that any more revenue can be derived from the sales of land very soon. I fail to understand why it was necessary for the hon. gentleman on this occasion, *quoad* the purpose of his argument and the conclusion to which he finally arrived, to repeat the line of argument which he has almost invariably used whenever he has addressed the House upon this particular subject. It was necessary for the company, and it was necessary for the Acting Minister of Railway, in laying his statement before the House and suggesting the changes which he does suggest by these resolutions, to induce the House and the county, if possible, to believe that the prospects of the road were such that the company would be able to repay to the country the loan as it would stand after the proposed arrangement is effected; but how it could serve the purposes of the hon. gentleman, how it could strengthen his position or his argument, or could assist him to arrive at the conclusion at which he finally arrived, in the peroration of his speech, I have not been able yet to understand; and it is to be all the more regretted that the hon. gentleman found it necessary to take this line of argument, because I am afraid that its tendency will be to defeat, so far as it has any effect at all, the purpose which the Government have in view in asking the House to approve of the resolutions now before the Chair. What is the purpose of the Government? The proposition is to so change the arrangements now existing under the Loan Act of last Session as to enable the company to use \$15,000,000 of bonds, first \$7,000,000 and afterwards \$8,000,000, and to sell them in the markets of the world, in order to obtain money with which to repay the temporary loan of \$5,000,000 and to complete this great undertaking. But, Sir, certainly the tendency of the hon. gentleman's arguments in this part of his speech would be to persuade the investing public not to invest in these bonds, but, on the contrary, to treat them as they did the \$35,000,000 stock, when it was in the market for sale. The hon. gentleman says: You have taken the wrong route; you have got bad land, whereas you might have got good land; you have got heavy grades and sharp curves, and, on account of the operating expenses, your road cannot be successful. You have snow slides, which will endanger the lives of your passengers, and