

included in this capitalization. Strip the main line of the branch lines and there would be at least from \$8,000 to \$10,000 a mile to add to the capitalization of the main line. That is a very mild estimate. My hon. friends behind say that I should place it at twice that amount. Well, put it at \$10,000 and you have \$80,000 per mile as the capitalization of the Canadian Pacific railway without the 75 per cent premium.

But there is something further. During the last few years the Canadian Pacific Railway Company have expended out of earnings on that line, and on account of other companies, at least \$100,000,000 in betterments that do not appear in the capital stock at all, and which they could not spend in the way they did under the Inter-State Commerce Commission. I am not criticising the expenditure, as it was probably good business. But that ought to be added to the capitalization as well. If you take this into consideration, the capitalization of the Canadian Pacific railway would be much higher than the cost of the Transcontinental railway per mile from Prince Rupert to Moncton and the Canadian Pacific railway is not, and on account of its position, never can be, a road equal to the Transcontinental.

Mr. EMMERSON: Who owns it?

Mr. GRAHAM: The people do not own one foot of it and will never get any rental in the way of interest or from any investment they have in that road. I want to make another calculation, but lest there might be some mistake, I am not going to make it myself. I want to allow some other person to make it for me, in whom, I think, the Solicitor General has more confidence than he has in me. I think he had a good deal in me at times. I am going to ask you to take the figures given to this House by the Finance Minister of Canada. In speaking in this House on June 3, 1913, in support of aid to the Canadian Northern, the hon. the Finance Minister (Mr. White) said this:

What did the Canadian Pacific railway get? They got \$25,000,000 in cash; they got 25,000,000 acres of land which have turned out to be worth a greater sum than the capital stock of the Canadian Pacific Railway Company. I shall not take it on the basis of today's value; I shall deal with it on the basis at which it was deemed proper it should be taken at that time. The 25,000,000 acres of land were stated to be worth from \$1 to \$1.50 an acre. With the development of this land, which has been brought about not only by the Canadian Pacific railway, but by all these other

railway companies which have been built, it has turned out to be worth a sum in excess of \$250,000,000. What else did they get? They got in addition to that 700 miles of completed line of railway from Prince Arthur's landing to a point west of Winnipeg, 500 miles; and from Port Moody east through the Fraser canyon, 200 miles. They got all these grants from the Dominion Government in consideration of their undertaking to build the line. What would that subsidy amount to at that time? It is the very opposite of an extreme statement to say that the cash subsidy given to the Canadian Pacific Railway Company in consideration of building the line would run at least to \$25,000 or \$30,000 per mile upon the part of the line which they constructed.

The Minister of Finance himself said this; it is a most moderate estimate, but I will take it for my calculation. Thirty thousand dollars a mile on the part of the line which they constructed, roughly speaking, would be from \$22,000 to \$25,000 a mile on the balance of their main line. And mark you, Mr. Speaker, that on some of the lines at this end of the main line, subsidies were given under other names to what is now the Canadian Pacific railway, which do not appear in these figures at all. The Canadian Pacific railway got the benefit of these subsidies in taking over these roads. Forty-six million dollars practically, capitalization; \$25,000 per mile, would make about \$71,000 a mile, calculated by the Minister of Finance himself. But add to that the enhanced value of the main line by cutting off all the branch lines and the cheap lines, and you have at least \$10,000 more per mile, to put it very mildly. There you have \$81,000 a mile. And, if to that we would add the premiums they received on stocks; if to that we would add the hundreds of millions of dollars they have expended in betterments, out of revenue from the Canadian Pacific railway and from other companies, we would have a capitalization far and away in excess of the cost of the Transcontinental railway from Moncton to Winnipeg.

Mr. EMMERSON: And you have not calculated in that the exemption from taxation and customs duty.

Mr. GRAHAM: Yes, there are other items in the agreement with the Canadian Pacific railway which are not calculated in this at all. After figuring all that, we come again to this point: that, having a road of a higher standard that has not cost any more than the Canadian Pacific railway, we own 1,804 miles of that road,