

and the exemptions were simply enormous, more than double what was sufficient to construct the railway. I say again that the resources placed at the disposal of the Canada Pacific Railway by the people were out of all proportion to the cost of construction of the Canada Pacific Railway. Let me point out for a moment what the cost of construction was, and what these resources really were. I know my hon. friend from West Durham has given his own figures on this subject; I know that he has dealt with the question, and nobody is able to deal with it more ably, but I have also investigated the documents submitted by the Canadian Pacific Railway to Parliament, and have made up calculations, the aggregate results of which are substantially those which my hon. friend arrived at, and practically the same as the statement made by the president of the company to the shareholders, in Montreal, on the 13th June last. I propose to submit a brief statement of the cost of the railway and the resources this country has placed at the disposal of the company. The cost of the Government sections, that is, such parts of the main line as were to be constructed by the Government, amount to the sum of \$33,500,000. This includes, of course, the cost of survey. I am aware the hon. Minister of Railways protested, during last Session, against this item being added to the cost of the Government section, but you cannot build a road without having first surveys made, and their cost is an addition to the cost of the road. The costs of the sections constructed and to be constructed by the Canadian Pacific Railway is estimated to be \$51,500,000, the cost of equipment is \$3,000,000, or a total in these three items of \$93,000,000 to construct and equip the Canadian Pacific Railway from Callander to the Pacific Ocean. Let us consider for a moment the resources placed at the disposal of the company to build and equip this road. We gave the company, in lines constructed and to be constructed by the Government, including surveys, \$33,500,000, \$25,000,000 cash subsidy, 25,000,000 acres of the choicest land in the whole North-West, estimating these lands at \$2 an acre that would be \$50,000,000, I observe that in the report brought down last year by the company the land sales averaged \$2.36. The president of the company says that the lands sold this year averaged \$3.01 $\frac{1}{2}$ per acre. Putting the price, however, at only \$2 an acre, would give, for the 25,000,000 acres, \$50,000,000. Then there was the loan of 1884, \$29,810,000, and the loan obtained by the company on the security of transport and postal service and other effects, \$7,380,000, making a total of \$146,490,000 of resources. These were the total resources placed at the disposal of the company to complete the road that really cost \$93,000,000, but that was estimated, in 1884, to cost only \$84,000,000. This would leave a balance in the hands of the company, after paying for the completion of the road, in money and land grants, \$53,490,000, and, in addition, the company would have the road in perpetuity. But this is not all; these are the sums placed at the disposal of the company in cash and other aids. I have shown that after the road was completed and paid for by the people of Canada and handed over in perpetuity to this company, there would be still a balance of \$53,490,000 to divide among the shareholders. In addition to this, the company had and has at its disposal, from various other sources, large sums of money, which ought to have been used in the construction of the road. First, under the old contract, the syndicate was bound to take stock to the extent of \$5,000,000 at par. It did so, and that placed at its disposal to complete the road \$5,000,000 more. Second, the Canadian Pacific Railway Company placed in the market \$60,000,000 of the stock of the company, \$20,000,000 of which was sold to the members of the old syndicate at 25 cents on the dollar, yielding \$5,000,000 more; and \$30,000,000 of this stock were sold at 51 cents on the dollar, the larger portion of it being sold to the old

syndicate. That yielded \$15,281,764; \$10,000,000 were sold at 42 cents on the dollar, most of it to the members of the old syndicate. That yielded \$4,211,294. Mr. Stephen, the president of the company, in his letter of the 18th March, 1885, states that the net earnings of the company, up to 1885, amounted to \$1,626,063, or a total of \$31,119,111, being all assets outside of the cash and effects placed at the disposal of the company by the Government of Canada; or, in other words, the sum of \$177,609,111 which this company had at its disposal to construct, build and equip a road that will cost only \$93,000,000. This will leave in the hands of the company \$84,609,111 more than sufficient to build the road; and in addition to all this, this company own the road so completed and equipped for all time to come. Mr. Stephen, in his address to the shareholders in Montreal, arrived at precisely the same result by different calculations and a different mode of reasoning. He says the assets of the company, when the road is equipped and completed, will amount to the sum of \$230,960,585, less the sum of \$53,892,245, which is the debt properly chargeable against the road. In other words, according to Mr. Stephen's calculation, the company will have, in assets, when the road is completed, \$177,068,340. No wonder Sir Charles Tupper, in 1884, when submitting his proposition that year, declared that the people of Canada had given this company a magnificent subvention, and that this company had no claims on the liberality of Parliament or the generosity of the people; and no wonder Mr. Stephen, in his address to the shareholders, on the 13th June last, could with pride point to the wonderfully profitable speculation which the members of the Canadian Pacific Railway Company were engaged in, when they would have at their disposal, on the completion of the road, assets valued at \$177,068,340. I have shown you, out of the documents submitted to Parliament by the company, and from the address delivered by the president to the shareholders, that this company has in cash and assets \$177,609,000 after paying for the construction and equipment of the road. It may be said, however, that a large portion of those assets were not in cash or were unrealised. That is true; but I ask what have the people of this country to do with that? Parliament ratified the contract with this railway company, giving them these aids, and the railway company undertook to provide the funds necessary for the completion of the road, outside the money we granted. It may be also said that the company could not construct the road out of unrealised assets. That is also true; but again I ask what have the people of Canada to do with that? The president says these assets are worth their face value, and it cannot be contended that the company are unable, with assets worth \$177,000,000, to raise the paltry sum of \$5,000,000. Further: the people of this country paid to the Canadian Pacific Railway Company, in hard cash, more than the Canadian Pacific Railway Company paid in hard cash to complete such portions of the road as they were bound to complete between Callander and the Pacific Ocean. I prove this out of the documents submitted by the company and from the address delivered by the president to his constituents at the meeting in Montreal, on the 13th of this month, and this also is apart from the \$29,493,000 realised by the company from their stock manipulations. In the Session of 1884 the company submitted to Parliament statements showing what they had expended and what would be necessary to complete the road. The company had expended in construction, \$23,078,950; they had expended, in rolling stock, materials and other works, \$10,871,050; the estimate of the cost to complete the road was \$27,000,000; or, in other words, the company had expended, or were to expend, on the construction of the main line, \$60,950,000, and these are the figures given by the company themselves to Parliament. Mr. Van Horne, the engineer of the company, stated subsequently that they would require four millions less than the estimate, because it was