

the country for the repayment of every dollar by the time the contract was to be completed, the 1st May, 1891."

First of all, then, Sir Charles Tupper declared that the contract was to be completed and the road was to be completed, and now we are told that the contract is completed but the road is not completed. Then, Sir Charles Tupper says: "You are to do this without imposing the slightest shade of a shadow of additional burden upon the Government or upon the country for the repayment of every dollar by the time the contract is to be completed, the 1st of May, 1891." I wonder to what date the new loan, now under negotiation in London, is to run; I wonder for how many years the Minister of Finance is asking the public to loan us the \$30,000,000 which we authorised him to borrow the other day. Is it a short loan, to mature in 1891, so that he may not be embarrassed, as he stated a while ago he would be embarrassed, by the circumstance of getting so much money from the Canadian Pacific Railway Company by 1891? I wonder whether it is a short loan of that kind that the Minister of Finance is now making, or whether he has abandoned those golden dreams which, so late as the Budget Speech, haunted him, of receiving from the Canadian Pacific Railway Company \$30,000,000 by 1891, and earlier. Perhaps some hon. gentleman—perhaps the Minister of Customs—who knows the date of that loan, would relieve our minds, and would tell us whether it is a short six years' loan, that the Government may use until they get the \$30,000,000 from the Canadian Pacific Railway, in 1891. I am afraid that they have abandoned that hope; I am afraid they have decided it will be a good many more years before they get back their money. I am afraid that there now exists more than the slightest shadow of a shade of an additional burden upon the Government or upon the country, for the repayment of every dollar by the time the contract was to be completed, the 1st of May, 1891. You know that already, in consequence of this loan, we deferred negotiations for the exchange of 5 per cent's. for 4 per cent's. for six months, because the Minister, having to provide a large sum of money for the Canadian Pacific Railway, felt that he could not call in the old loan. You know that we lost the interest, being the difference between 5's and 4's for the half-year, and have been making various other short loans in order to pay this Canadian Pacific Railway; we have been making various other loans at some pretty fair rates of interest for them, too. The hon. the First Minister sometimes says that a little bird told him something. Well, Sir, a little bird told me something, it told me that 5½ per cent. has been paid for a portion of this money borrowed for a certain time from some of the banks. Well, when we are borrowing money from the banks in order to pay the Canadian Pacific Railway, and when we have got to give our Exchequer bills for other money; when we are told now, as we are in effect told, by the silence of the Ministers, that the expectation of getting the loan in 1891 is abandoned, and that we have to make a long loan instead of a short loan, it is evident that the words of Sir Charles Tupper, which I have read, have hardly been verified. Then, says Sir Charles Tupper:

"I do not rest these resolutions for a single moment on the low ground of any claim that these gentlemen (the Canadian Pacific Railway Company) have. They have no claim. They made a contract, and they received, by the terms of that contract, a magnificent subvention for the work, great as it was, that they were undertaking to deal with; and they have, no doubt, prospective profits of a large character before them. I do not ask, for a moment, that these resolutions shall receive the consideration of this House on any such claim."

At that time, also, it was as a business operation this was treated, though now, it seems, there is an attempt to treat it on some other and so-called higher ground. Now, the Acting Minister of Railways declared that our security was actually improved by this operation—it was not a loan unimpaired; that would not satisfy the Minister; he wants to improve our position, and so he improves it by this

Mr. BLAKE,

operation. Why? Because the money had been put into the work. But it was contracted that the money should be put into the work. That was the security on which the old loan was made. It was upon the express agreement that the money should go into the work. It has gone there, and the money is going to stay in the work. To tell us that our position is improved by the money going into the work seems to be perfectly absurd. The hon. gentleman says that thirty-five millions of stock was to go into the work. I deny it. The whole theory of the arrangement of last year was that the stock was not saleable. The Government took it, and said: We take power to sell it, if we think it rises to a price at which it should be sold, and we take power to use the proceeds at our discretion, either in payment of the debt or for the purposes of the company. The company could not have disposed of the stock, because the Act of Parliament gave the Government the discretion to say when it should be sold, and whether the proceeds should be applied towards payment of the debt or not. The Minister of Railways, who was presiding over the measure, proclaimed that it was to be so applied; that the amount was to be used as a means of repaying the loan. But the hon. gentleman said, what are we doing? We are making another arrangement in respect of \$35,000,000. This new arrangement, about \$35,000,000, is an arrangement of an entirely different character. If the money had been realised from the stock and had gone into the work below our security, and the stockholders had no special claim, our mortgage would be improved by the value produced by the amount that went into the work. But if we gave power to the company to place, say, \$15,000,000 on a par with ourselves, and that sum goes into the work, we occupy a different position. Let the Minister of Railways, as a first mortgagee of a farm, consider a mortgage transaction, and see what is the situation supposing a second mortgage is put on after the first, for improvements on the mortgaged property. He then would be in a very good position, because he would be able to cut out the second mortgage, and his property would be made more valuable. But suppose the mortgagor came to the Acting Minister of Railways, his first mortgagee, and said: Mr. Pope, I want to improve the property, and for that purpose to put a mortgage on it, which will stand in the same position as your mortgage; in fact, I want to have a joint mortgage. I think the Minister of Railways would be acute enough to see that he would be placed in a different position; that his position, although the money went into the property, would not be quite so good as if it had been placed there under a second mortgage. So with respect to the stock. Then, the hon. gentleman declares that this arrangement will give satisfaction. He makes a statement with respect to the Government work, and admits an error in the calculation of a million and a-half. He excuses the error by saying it is due to the deterioration, the wear and tear, that resulted during the six or seven years since the road was constructed. Was that not known last winter? Did not the Government, which had charge of the road, know its condition? Were they not aware of what was necessary to put it into proper order? Is it only this Session that it is known that ties and rails wear out and the roadbed gets into a bad condition? Last winter we were told emphatically that twenty-eight millions was the cost of the Government work. It is strange, indeed, that they were not in a position, last Session, to say that this large sum would be required. I remember there were loud boasts made, when this Government came in, as to the savings on this section. They said they had cut down the amounts very low; but it has since turned out that they have increased the expenditure. The hon. gentlemen who have brought this measure forward have submitted a statement by Mr. Stephen, which is the foundation of the measure. Mr. Stephen's letter contained