

been able to understand—it being held that the Company was not merely entitled to, but could compel the Government of the day to exercise its powers of disallowance to veto charters for local railways within the limits of the Province of Manitoba as contrary to the bargain with the Canadian Pacific Railway Company. I say that this construction of the bargain is not merely contrary to what I understand its terms to be, but contrary certainly to what we were told its terms were when the bargain was laid before us by the Minister of Railways, and reiterated and reinforced at greater length by the hon. member for Cardwell (Mr. White). Now, with reference to the financial calculations, we contended that the amount which the Government was about to part with to the Canadian Pacific Railway Company was worth more than what the Government alleged it was, and that the Company would, according to any reasonable calculation, according to the estimates which the Administration had itself laid before us, in some ten months have this road for less than nothing—have the road and a profit besides. The official memorandum to which I have referred, shows that 6,542,000 acres of the Canadian Pacific Railway Company's grant were sold for sufficient to redeem \$17,300,000 land grant bonds, at the rate of about \$2.68 per acre. If the North-West is to improve; if the value of the land in that country is to increase; if it is to progress; if settlers are to crowd in upon it; if fresh cities are built there, and if fresh agricultural settlements are to be developed—and I suppose that no one will deny this—the lands to be sold there in the years to come will be more valuable than those which were sold in the last year; but for the purposes of calculation and for the purpose of ascertaining the present value of this land, I will adopt as the price of the remainder of the land grant with all the town sites to come, with the coal lands, with the timber lands, with the lands of special value, with the lands immediately alongside of the railway, as yet in great measure unsold—I say, assuming that having all this added to them, those speculations in town property, as in the case of Brandon, which the Company was able to make, and adding all these together, and assuming that for the remainder of the land, the present value is but what has been realized for other parts, it would amount to the sum of \$49,467,000, or within a few thousand dollars of \$49,500,000, making a total for the lands at the present values as ascertained by the sales of the Canadian Pacific Railway Company of \$67,000,000 nearly. Thus, the Company's receipts would be: their subsidy of \$25,000,000; Government railways, \$35,000,000, and the proceeds of lands already sold, \$17,300,000, or a total of \$77,300,000. The value of the unsold lands would be \$49,500,000, making the total receipts \$126,800,000. Now the Company estimates, by the statement to which I have referred, the road completed and equipped, and including besides the road which they contracted to build, and in respect of which the calculations were made, no less than 684 miles of their own road—the eastern part, the North Shore, the Canada Central and certain branches in the west and on the way west—the subsidy of \$25,000,000, \$20,000,000 land grant bonds and \$90,000,000 of stock which they are putting on the market at 60 cts.—equal to \$54,000,000—making a total of \$99,000,000. Deduct the net value of the 684 miles—which is subject to liens, say, \$5,500,000—I presume it cannot be less, having regard to the character of the road, and the character of the bulk of the country through which it passes—and it is worth a net sum of \$9,000,000, making the cost of the road as contracted for, \$90,000,000—the cost I mean to the Company. The Government works handed over, their subsidy, the land grant bonds already practically attended to, and the unsold lands together realizing \$126,800,000, it is easy to see that according to present appearances they are to have the road—completed, equipped, with interest paid on the

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capital expended during construction—for nothing, and with a profit of about \$37,000,000. This is the result which is indicated by the official memorandum of December. This is the result which the hon. member for Westmoreland (Mr. Wood) justifies on the good, general business principle that all bargains should be mutually advantageous; and he says that an arrangement under which one party to the bargain is to build a road and equip a road which is to be its own property afterwards, and to receive the whole value of what it does, and some \$30,000,000 or \$40,000,000 more, is a bargain which is mutually advantageous. Well, Mr. Speaker, I admit that it is advantageous, but I think the advantage was all on one side, and it is my opinion that if the course which was recommended and pressed on the House by this side of the Chamber, viz.: that we should give value to the lands of the North-West and develop the country by prosecuting with rapidity and vigor the prairie section, and postpone any arrangements for the construction of the ends until we had—as by these one and a half or two years operations, we would have—produced these results for ourselves instead of for the Company, we would have been able to make a bargain under which the Canadian Pacific Railway would have been completed just as soon as it may reasonably be expected to be completed now, but on terms infinitely more advantageous to the country—infinitely more advantageous, even if we only consider the financial question—infinitely more advantageous, if we consider also the question of the alienation of the land, the question of monopoly, and all the other questions of privilege and exception which are so glowingly set forth in the prospectus to which I have referred. The prospects also as to traffic are announced, and these, too, we might have realized for ourselves. These conditions, giving the value of the enterprise and to be considered accordingly in the price at which the road was to have been contracted for, could have been ascertained for us as for others. It turns out that even in its incomplete and disconnected position the eastern section has returned \$3,200 per mile per annum; the western section has returned \$3,600 per mile per annum, and the Company confidently predicts that within a short time its earnings will compare favorably with the earnings of American lines similarly situated, which are stated at somewhere about \$7,500 per mile per annum. I maintain that at an earlier date than could have been supposed possible, by proof more cogent than we could have reasonably expected, the views which we pressed—unfortunately without success—upon this Chamber when this contract was before it, have been verified, and that whether you consider the financial aspect alone or the more important aspects to which I have referred, the policy which we propounded in opposition to the policy of the hon. gentleman has been already proved—and I believe that from day to day, and from year to year, will be more emphatically proved—the true policy for the country. I was glad to see from the Speech that the Public Lands Act is to be amended. On this point also—with reference to the management and administration of the public lands in the North-West—we have been at issue with the Administration, and we agree that the Public Lands Act requires amendment. I believe that the system which hon. gentlemen have inaugurated—that the various schemes which from time to time, they have devised and brought forward, have been, or the great majority of them, unfavorable; that they have produced ill results, and that a better and simpler system would have produced better results for the public of Canada, who are interested in this question financially, and to the whole people of Canada, old and new, who are interested in the early and satisfactory settlement of the country. I believe that the system which should have as little as possible introduced the middleman and allowed him to intervene between the public and the actual settler, would have