company will have next year the benefit of the earnings of neary 4,000 miles of road in operation from ocean to ocean, without paying any tribute to other lines as is the case with the Northern Pacific. Allowing only $3,000 per mile which is $2,000 a mile less than the Northern Pacific, we find, for the year, a total of $12,000,000 of gross earnings. Deducting 70 per cent. for working expenses (the Northern Pacific has reduced their tariff nearly 50 per cent.) there remains a sum of $3,600,000 for the net earning of the road. I do not think any one will question the sufficiency of the guarantee of the lands for our $10,000,000. Otherwise the boasted assistance given by the land grant would have been a delusion; the attempt to belittle the value of the lands would become a strong argument in favor of the increase of the cash subsidy (the necessity of the transcontinental line having been admitted by all sides in Parliament.) If our lands are worth any thing at all, they must be worth, at this moment, at least 50 cents an acre, and this is hardly the amount of our advance to the company as guaranteed by the lands. But I am sure I shall not be contradicted in saying that the lands are worth to-day $1.50 an acre and will increase in value in the some ratio as the capital of their value would increase at the rate of 4 per cent. per annum, taking into account a very moderate current of immigration in the North-West during the next 25 years. The results obtained by the other railway companies would warrant a higher figure than the one I have given. I do not think we shall have to wait for a year to be reimbursed the $5,000,000 of the temporary loan, the $8,000,000 of bonds of the company will soon find their place in the market when the returns of the road begin to show their security as an investment. We remain with $20,000,000 of first mortgage of the company. The total bonded debt is $35,000,000, so that we rank equally for $20,000,000 with other bondholders to the amount of $15,000,000 as the first creditors of the company. That total bonded debt of the company is the first lien on the following roads:—

		Miles.
Callander	to Coal Harbor	2,565
Winnipeg	to Stonewall	28½
do	to Manitou	102½
do	to St. Vincent	64½
do	to West Selkirk	22
do	to Colville Landing	2
do	to West Lynn	15
do	to Maryland	51
Rosenfeld	to Gretna	14
	Total	2,864½

Making a fixed charge of about $12,237 a mile. But the debt is, in addition, secured by the lines from Callander to Ottawa, 225 miles, and from Carleton Place to Brockville, 46 miles, or a total of 271 miles. Considering that the amount due on these two last lines is only $1,600,000 or $5,900 a mile the fixed charge on the whole line remains but little over $11,000. And when, added to that, we calculate the value of the rolling-stock of the company which will be not less than $10,000,000; when we consider their vast property in Montreal, at Ottawa, at Winnipeg and all along the line up to Coal Harbour, property, which the natural development of the country increases in value every day; when we consider their immense and costly workshops, their steamers, we may safely scout the idea that the securities we have retained are not equal to the advances we have made. The Canadian Pacific Railway, after its completion, will have earning capacities superior to any transcontinental route in America, and inferior to none of the great railway systems of North America. Some may have larger traffic and a greater volume of business. None will be in a better position, comparing its actual value with its liabilities and the possibilities of its traffic. The Canadian Pacific will represent the following values;

Portions built by Government	$29,600,000
Cash subsidy	25,000,000
Loan of last year	30,000,000
Amount raised by present legislation	15,000,000
Paid for stock	29,568,123
Land grant bonds	8,702,086
Bonuses	236,600
City and town lots	504,675
Earnings	1,456,318
	$140,067,800
Less deposited and paid for dividends and interests say	20,000,000
Total amount spent on the road	$120,400,000

In other words our margin of guarantee is 350 per cent—and if we go to the extreme in any supposition of failure, so as to test in the most rigid manner the value of our securities; if we take the absurd hypothesis of the stoppage of the road by the withdrawal of all those interested in the enterprise, there would still remain the following assets respecting a commercial value, as follows:—

Rolling stock	$10,000,000
Rails, &c., &c	10,000,000
Workshops	1,500,000
Steamers	500,000
City properties	1,000,000
New station and terminal facilities, elevators and other improvement contemplated by the present measure	2,900,000
Telegraph Lines	2,000,000
Amounts paid on lines from Callander Eastward	15,000,000
21,000,000 acres of land	21,000,000
Total	$63,900,000

I have made that supposition of an impossible event to demonstrate the absurd pretensions of those who assert that we might be exposed to the loss of the capital of our loan; and to show at the same time the perfect safety of our investment. I had, therefore, good grounds for saying Mr. Speaker, that the loan of last year and the loan of the present year cannot be classed among the subsidies, that we do not lose a dollar of them and that they will not oblige us to disburse a single cent of interest. In return, we shall find that we have ensured the completion of the Canadian Pacific, five years before the time specified, and that in so doing, we have saved many millions to the railway. The dividends alone to be paid on the capital during the process of construction, represent a considerable amount, as the money furnished by private parties must always bear interest, and as a road during that process cannot give any profits, it had been agreed that the company should pay a dividend of 5 per cent. out of their capital, during the time of construction. A reserve amounting to 3 per cent. has been made for that purpose; but the company would have had to pay 2 per cent. on $65,000,000, during a period of five years, or $6,500,000 which we save; and it may happen that the railway may be such a successful enterprise as to be in a position to pay dividends immediately. We have, in another manner, protected the company against fruitless expenditure. They had only two modes of raising funds by themselves, that is: selling shares or floating bonds. The state of the money market shows that the shares could have hardly realised more than 50 per cent. The company, then, could only have realised $17,500,000, by losing a like sum; so that it has not to be taken into account. As regards the bonds, it would have been impossible for the company to place them on the market last year (on account of the uncertainty which existed regarding the completion of the road, and also of that terrible "unknown" which always has so much influence on business men), at a rate exceeding 80 per cent., so that on a sum of $45,000,000, the company would have lost at once $9,000,000. They would have had to pay 5 per cent. on the whole amount, whilst they will have to pay only 4 per cent. on the $30,000,000 of last year,