

from the branch lines, and without this feeding from the branch lines the main line would be able to earn very little. If all these feeding lines were owned by independent companies or by antagonistic companies, they would take all the cream of the earnings from the main line and leave nothing but the skim milk for that line to earn. The main line without those branches would be of very little assistance to either the Dominion or the company. The equity of redemption over the whole property, after it has got this consolidated debenture stock upon it, will be worth more to the company, and therefore render it better able to pay the interest on the \$15,000,000 loan than the main line itself with only \$35,000,000 against it. I think, Sir, that this is the main subject upon which the hon. gentleman spoke. I submit that this measure, which is destined to promote the efficiency and earning power of the company, will put the company in a better position to earn the interest on the \$15,000,000 loan. The hon. gentleman says that last year the company got a certain sum of money, and this year they are coming down with this Bill. All I can say is that if the hon. gentleman had asked the question in the Railway Committee, he would have found where that money had gone. I cannot tell him now from memory; but I can tell him that it takes a great deal of money to build and operate a railway of this magnitude, extending from ocean to ocean. After it has been running for a few years, a great many temporary works have to be replaced with permanent works. In the distance from Quebec to Vancouver a great many trestles and temporary bridges have to be rebuilt or improved; a great many wharves and elevators have to be constructed; sidings have to be put down here and there, and, although each siding may only cost \$2,000 or \$3,000, when you consider the length of the line, in the aggregate, they cost a large sum of money, and a million dollars really does not go very far. The company do not say when they intend to issue this stock, but when it is issued it will be put to the best use in making this road what we all desire it to be, a great national highway worthy of the country.

Mr. EDGAR. I think my hon. friend is not at all accurate when he says that this new issue of consolidated debenture stock does not place a large sum of money ahead of the Government guarantee. I only ask for information in reference to the new issue of £500 sterling per mile, which I was told by the solicitor of the company in the Railway Committee was equivalent to \$12,500,000. Beyond any question whatever, that is sought to be placed as an entirely new charge on the company ahead of the Government guarantee.

Mr. KIRKPATRICK. It is to increase the earning power.

Mr. EDGAR. I suppose the theory is that it will increase the earning power, but that does not prevent it being placed as a new mortgage ahead of the Government guarantee. But in the case of any small private railway company, which came to ask for power to make a new issue of securities, I think the House would enquire why the issue made a year ago was insufficient. The hon. gentleman says I ought to have asked that question in the Railway Committee. I did ask it, but I think we all remember that there was another question of an inter-provincial character raised in that committee, which was absorbing so much of the discussion on that occasion, that a question about a mere matter of detail, involving \$15,000,000 or \$20,000,000 could not be listened to. There is plenty of time this evening; the House is not going to prorogue at Easter, I understand; and, in a matter involving so many millions, I think we ought to be given the time, and I intend to take the time, in endeavoring to get this information. I think it would be deplorable if somebody did not rise in the House and try to get information on points

like this; and I do not offer the slightest apology to anybody for doing it; I hold that it is my duty to do it. With reference to the \$15,000,000 authorised last year and guaranteed, I find in the schedule that there were \$5,000,000 for bridges, trestles, reducing grades, and other improvements; \$5,000,000 for rolling stock, locomotives, box cars, &c.; and \$5,000,000 for elevators, filling trestles, sidings, docks, &c. That these are all admirable purposes, and most essential for a great undertaking like this, I do not deny; but the alarming feature is that after getting these sums one year ago for these purposes, which are not purposes of original construction, the company come to the House and ask authority to issue \$12,500,000 more for the same sort of purposes. If that sort of thing is to go on continually, I think we ought to know it; but I hope the case is not as bad as that, and I had hoped the hon. gentleman would give us some explanation of what had become of the \$15,000,000—whether it had been expended, or whether there was any sum in reserve, and whether or not the whole of this \$12,500,000 would be required presently; but he does not vouchsafe that information, and I suppose we shall have to draw our own conclusions. The hon. gentleman says that the rearrangement of the securities does not affect the position of the Government. Well, I think the position of the Government has two or three aspects. In the first place, there is the guarantee which they gave to pay \$525,000 a year if the company does not do it. To guarantee half a million a year for fifty years is not a trifling matter, but one about which we may well have a little discussion. I have no doubt the principal of this loan is perfectly well secured by the lands, but the Government do not guarantee the principal; they only guarantee the interest. There is some security for the interest if the road goes on and is successfully run; but there is no absolute security for that interest, and, therefore, if the Government will not do it, the House is interested in seeing to the position of the country. There is another interest which the House and the country have in this matter. An increase in the charges of the Canadian Pacific Railway from Vancouver to Montreal is created to the extent of at least \$52,000,000 plus the \$12,500,000, that is \$64,500,000 altogether. Is it not of vast importance to the people of this country that that line should not be overcharged and overloaded, because we know that all the burdens put on it in the way of interest have to be met by the tolls charged on freight and passengers carried over the line, and that the whole country will pay them. Every \$10,000,000 which we have put on that road has to be paid by the people of the North-West and old Canada who pay tolls and tariffs to the company; and therefore the whole country is interested in seeing that it is not unreasonably charged. The hon. gentleman says this does not really make a new charge. There is no use, I think, in talking in that way to this House. It may possibly not be a bad arrangement, but it undoubtedly creates a charge. There is now \$35,000,000 on the line from Vancouver to Montreal, and there is \$52,000,000 on the leased lines. They are two separate systems: one is the line built and assisted by the country; the other is the system of railways which the company have secured for their own business purposes, which of course are very likely, wise purposes, and will contribute to the business of the company. I think I showed the other night that the \$35,000,000 is just 20 per cent. of the cost of the line from Montreal to Vancouver. I think I showed, and I do not think it will be disputed, that the \$52,000,000 on these other lines is the full amount of the cost, is 100 per cent. of their cost. It is a matter which we should consider, whether it is a good bargain for us to agree to that. I do not know what the earnings on the leased lines are, representing that charge of \$52,000,000. Perhaps the hon. gentleman can show us that, although the