

structured as cheaply as any line on the continent of America during the past ten years. There is no line like it, so far as standard is concerned, so no real comparison can be made. I wish to give the capitalization of some of the leading railway companies. The first companies I shall deal with, I am introducing as a matter of information to the House and not for purposes of comparison, because they have two, three, or four tracks, very expensive terminals and all that kind of thing, but I thought it would be of interest to the House to know the cost of some of the large railway companies on the other side of the line. The Pennsylvania road capital \$371,023 a mile; the New York Central \$418,370 a mile; Lehigh Valley \$437,643 a mile; the New York, New Haven and Hartford \$187,426 a mile. Now we come to two roads that might fairly be compared with the Grand Trunk Pacific, although they are not up to its high standard: The Union Pacific cost \$150,925 a mile; the Southern Pacific \$142,360. For the information of the House, I might give two or three other figures in regard to the capitalization of these roads. The first four roads operate in the eastern and central States and their capitalization is therefore high, but the average capitalization of all the railways of the United States in 1911—the most recent statistics available—was \$64,000 per mile. That includes every little branch line, and every cheap line constructed at a cost of \$15,000 or \$20,000 per mile. None of the lines in the western States can begin to compare with the Grand Trunk Pacific for standard. The average capitalization of all the eastern lines in 1911 was \$167,885 a mile, and of the western roads \$73,000 a mile. While the average capitalization of all the western roads in the United States, including the cheap, prairie or colonization roads, is \$73,000 a mile, the cost of the Grand Trunk Pacific from Moncton to Prince Rupert, with its high standard of equipment will only be \$85,000 a mile.

Let me give some figures of Canadian railways. The Grand Trunk railway capital \$133,939 a mile. That is a very high capitalization and I gave one reason for its being high yesterday; that the road was built cheaply, as some hon. gentlemen wanted to build the Transcontinental. As a result great portions of the road have been abandoned altogether, millions have been spent in reducing grades, and millions more will be spent in bringing the road up to a high standard. The money invested

by some of the original shareholders stands to-day without a cent of dividend ever having been received, and probably will for many years to come, if not for all time. One of the reasons for that, is that wisdom was not shown in the original construction of the Grand Trunk railroad.

The Algoma Central railway, which runs through New Ontario, has a capitalization of \$152,891 a mile; the Canada Southern, \$99,000 a mile; I now come to the Canadian Pacific railway. I have two reasons for taking this railway: one is that the railway is one of the best managed transportation institutions in the world, and perhaps one of the largest. It is the railway to which Mr. Gutelius looked for guidance or for comparisons in his investigation. I take the Canadian Pacific railway because it is practically the only Canadian road from which we can get the information I desire. The Canadian Pacific railway, it is true, gives its capitalization as \$46,000 a mile, but no person for one moment thinks that is all the Canadian Pacific railway cost. The Canadian Pacific railway received from the Dominion of Canada many gifts, and the proceeds of at least some of these went into the construction of the road, or if not, the Canadian Pacific railway is not playing fair. But it is playing fair in that respect. Let me read what aid the Canadian Pacific has received:

Cash aid, Dominion	\$ 29,944,660
“ “ provinces	412,878
“ “ municipalities	464,761
Lands handed over at cost	37,785,320
Value of land, put at \$5 an acre	174,081,010
Total	\$242,688,629

That total, figured as this commission figures, would be swelled to \$500,000,000 by adding compound interest up to the present time.

Mr. MEIGHEN: Have we not been getting a little service from the company all these years? The commission have only figured up to the time we get returns from the company.

Mr. GRAHAM: They have figured interest on a subsidy, but they never figured on a subsidy for the Canadian Pacific railway or any other line.

Mr. MEIGHEN: They were not appointed to investigate the Canadian Pacific railway.

Mr. GRAHAM: Has my hon. friend figured out the compound interest in regard to the Canadian Pacific railway?