

of the men we intrusted with that enormous undertaking. Sir, that magnificent railway establishment must bear its fruit. From ocean to ocean it has the shortest, the most compact, the best equipped line of the continent; it has not and need not have for some years any competition over two-thirds of the continent; its bonded debt is by far smaller than that of any of the similar roads which are flourishing. With all these requirements combined it must succeed. In his speech of the 15th April, 1880, the hon. leader of the Opposition quoted the figures brought out by my hon. friend, the member for East York, as to the cost of operating the Canadian Pacific. The hon. gentleman accepted those figures as approximately correct. And what were they? The amount of the earnings of the road were fixed at \$6,750,000 a year to cover simply the working expenses of the line. Well, I am ready to accept those figures, Mr. Speaker, and I say that the most skeptical of the hon. gentlemen opposite will be convinced that the future has no disappointment in store for the warmest believers in the success of the Canadian Pacific. When the line and its accessories are completed the Canadian Pacific will have a mileage of over 4,000 miles, a large portion of it located in the best sections of old Canada, and possessed with the most convenient facilities for its ocean termini. Last year, with a mileage of about 3,000 miles of disconnected lines, its earnings reached \$6,084,345. The first months of the present year have shown an increase of \$782,741 over the same period last year. Surely this shows what the earning capacity of the line will be after its thorough completion, organization and equipment. It would be unfair to say that the heavy extra expenditure has been useless or unwise. The obligation entered into by the company is not limited to the mere construction of a road from its two terminal points. It includes the keeping of the road in operation. And if the company takes so much precaution to secure a profitable working of the line the country need not complain. It owes, on the contrary, a tribute of gratitude to the company for having largely increased the cost of the contract as a guarantee that the road is to be operated in a permanent and profitable manner. It is gratifying to the country to see that the company is confident that its profits will be derived from the working of the road rather than from the mere construction of it. The purpose of the company is a bold one but it is one commanding the praise of the whole community. I have demonstrated that, leaving aside the large difference in the land grant, if the present contract implies an increase in the cash subsidy of \$4,000,000 for the construction of the Pacific, it has secured to the Government a value of \$30,000,000 if you deduct from the \$54,254,293, the amounts for interests and dividends, over and above what the late Government expected and had exacted from its contractors in their proposed bargain with them, and I am in a position to show that amount should be doubled. And without putting a figure to the actual value of the lands one cannot deny that the policy of the present Administration has secured the keeping of 25,000,000 acres of land in the public domain. I admit that, after this Session, the \$54,600,000 in money already given to the company in cash and in work done, will be increased by the loan of \$35,000,000. But there is not a man, who has carefully looked into the whole matter, who would seriously pretend that the \$35,000,000 are to be reckoned as lost money. I care very little for those irresponsible prophets who predict that the Government will never make the demand and exact the payment of that well secured loan. We know what little risk those evil foretellers run if their predictions turn false. However that point needs no further reference as nobody knows what the Government of to-morrow will be. But if the country does not run a worse risk than to be long governed by the Administration of the day, I can solemnly assert

that every dollar of that \$35,000,000 may be considered as a safe and productive investment, as a sacred deposit not to be surrendered. We have not exceeded the prudent limits of official liberality; we have discerned between a useful and an excessive generosity. To go beyond what we have done, would have exposed the Government to the charge of extravagance. To have refused that assistance would have been courting a disaster for the country. And I feel I am not mistaken when I say that the strongest guarantee that these \$35,000,000 shall be considered and administered as part of the patrimony of the people, lies in the deep sense of the high responsibility which rests upon this Government as it will upon any future Government. There exists to-day this undeniable fact, that 3,327 miles of first-class road and 21,246,600 acres of cultivable lands is a safe and undisputable guarantee for a first mortgage loan of \$15,000,000. Everybody knows that the company has, during the last four years, realised \$8,702,086 out of its lands in spite of the difficulties that have been in the way. Last year, the receipts of the unfinished sections of the road gave the following results:—

	Receipts.	Expenditures.	Surplus.	Deficit.
January.....	\$274,645	\$401,915	.....	\$127,270
February.....	224,638	363,965	.....	139,328
March.....	278,575	359,275	.....	75,700
April.....	343,966	318,938	25,028	
May.....	424,556	349,739	74,816	
June.....	550,661	399,030	151,631	
July.....	549,367	394,673	154,694	
August.....	565,814	383,983	181,830	
September.....	639,839	407,628	232,211	
October.....	735,731	438,082	297,648	
November.....	640,573	395,160	245,413	
December.....	521,552	350,236	171,315	
	\$5,750,521	\$4,558,630		

or a total of nearly \$6,000,000 of receipts and a net revenue of \$1,191,891. We can easily make our estimates for the future when we consider that the above result has been obtained when there were not more than 2,000 miles of railway in good working order, or a proportion of \$3,000 a mile. Have we not before us the experience of the Northern Pacific. That road is less advantageously situated than our own Pacific, having no outlet of its own at Minneapolis or at Duluth, and still its traffic for the last ten months ending 30th May, 1885, hardly a year and a-half after its completion, was as follows:—

Gross earnings, for 10 months ending 30th May, 1885 (over \$5,000 per mile).....	\$10,218,941
Operating expenses.....	5,518,235

Total net profits for 10 months.....	\$ 4,700,706
The total mileage of the Northern Pacific, including branches and leased lines, is..	2,546 miles.
Its bonded debt, at 31st December (selling over par).....	\$69,536,221
Its preferred stock.....	38,255,565
Its common stock.....	49,000,000
	\$157,791,786

#### Annual Charges.

Interest on bonds.....	\$4,050,648
Rents, leased lines.....	778,000
Other fixed charges.....	493,918
	5,320,566

Now, with the new engagements contemplated by the legislation before the House, the fiscal charges on the whole of the Canadian Pacific Railway are as follows:—

Bonds, \$20,000,000 at 4 per cent.....	\$800,000
do 15,000,000 at 5 per cent.....	750,000
Interest on purchase of C. M. O. & O.....	175,000
do do do Canada Central.....	58,400
do do do Land grant bonds.....	180,000
Rents on leased lines.....	778,000

On a total of.....\$2,741,400

The \$10,000,000 additional guaranteed by the lands will draw interest out of the annual sales of the lands. The