

out of this \$58,700,000. For that \$5,000,000 is to be deducted. That sum embraces also that multitude of items, the seaboard extension items, to which the hon. gentleman referred, amounting to 3,000,000; and it embraces also the Credit Valley bonds of say half a million, making \$4,000,000 in round numbers. That is \$9,000,000 altogether of items which are embraced in the transaction contemplated by the last estimate and not in the former ones. Deduct therefore \$9,000,000 more and you get a sum of \$76,700,000 as the cost now estimated of the same work which was estimated at \$90,000,000 nine months ago. Now, I want to apply these considerations to the estimate for the contracted line. I have shown what they were as applied to the whole line now contemplated.

MR. STEPHEN'S FIGURES

with reference to the contracted lines are these, in round numbers: Work done on the main line, \$23,080,000. Proportion of equipment, for I assume that the equipment was for the whole line, and therefore deduct something for the branches, \$6,000,000. Materials, \$4,000,000. To complete, \$27,000,000. And I add for interest and dividends no less than \$6,000,000, which, omitting the equipment, would give me \$36,000,000 as the present estimate for the contracted line. The Company now think that the contracted line from Callander to Port Moody will cost them \$66,000,000 as against \$90,000,000, their estimate so recently as April last. That is a saving of \$24,000,000 on what they had agreed, and are bound to this country to do, including as I said in that estimate the large sum of \$3,000,000 for dividends out of capital, irrespective of earnings altogether. Now these discrepancies are entirely confounding. It is impossible to understand them. The hon. gentleman has not attempted to grapple with them. I think

AN EXPLANATION IS REQUIRED,

and inquiry should be made on that point. I am not satisfied with these estimates. I am not satisfied with the statements made, without a single particular given to us except what is contained in a few lines which the hon. gentleman has read to night. Now, then, if the contracted line is to cost only \$66,000,000 the Company are to receive \$25,000,000 in cash from land grant bonds—\$9,200,000 of which it has received—over \$9,000,000 in bonuses, and town sites already received \$700,000, and they will probably receive further on that account \$500,000, making \$35,400,000. And they are to get from us now \$22,500,000, making a total of \$57,000,000 from the public as against a total expenditure of \$66,000,000 on the contracted line, and they have already in their hands 10,000,000 acres and are to get during the progress of the contract other acres to the amount of 11,000,000 more—over 21,000,000 acres. This is the proposition, sir. We contracted with them to build this railway. They tell us now that this contracted railway is going to cost them only the sum which I have named, and we show that they have received from public sources \$85,000,000. It is impossible under the circumstances to contend against the proposition that it is not the contracted line that has caused the difficulty. It is impossible to contend that if the energies of the Company had been limited and prudently applied to the contracted line there could have been any question of this kind. The loan of \$22,500,000 is not required for the contracted line. It is wanted in consequence of

THE GENERAL ENGAGEMENTS

into which the Company have entered. Now, as I have said, I cannot without explanation acquiesce in these altered estimates. It is true that we are told that the work is much lighter than was expected, that the contract is going to be much more profitable than was expected; these do not appear to be extremely valid reasons for advancing more public money to the fortunate contractors, and the truth is that under the proposed arrangement it is not the C. P. Railway Company but the Government practically which will be providing funds to build the contracted line. The President says that this \$58,700,000 includes the various items which came from the public—viz: subsidy about \$12,300,000, land grant bonds, for which he gives credit for only a little over \$9,000,000, though the account says that \$9,200,000 have been received by the Company, and I suppose the rest are in the hands of the Government; bonuses and town sites, \$690,000; and earnings to the 30th June last, which I assume to be \$1,400,000, making \$23,600,000. Then he inserts, as part of what the Company has provided, their floating debt, which they cannot provide for, and for which we are going to provide \$7,500,000 of this \$22,500,000 at once to meet this part of what the Company has provided, and which is included in the \$58,700,000. Why, they have not provided it. It is because they have not provided it we are here to night. We have to provide it. (Cheers.) We are to lend them the money and take a mortgage for it. He includes also the \$8,700,000 for future dividends. I do not think, myself, the dividend is an absolute necessary expenditure upon the C. P. R. so far. It may have been a very prudent thing for these corporations to say that. As our stock is at 46, what it cost us, we would like to get 11 per cent. while the work is going on, and we will

INSURE OURSELVES

three-fifths of that amount, but in order to insure ourselves that deposit we could not deposit it ourselves in a bank, because if any difficulty arose it would be taken away from us. But we will get the Government of the country to take it from us, and hold it for us, and pay it out to us in

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