

engineer, and the figures which I have given as the cost of equipment, are confined absolutely to the equipment of the main line. I divide them in two, so that the House may see how much of this equipment is chargeable to the railway west of Callander, and how much is properly chargeable to the railway east of Callander. The figures are as follows :

Equipment of entire main line.....	9,168,755	
Proportion at a mileage rate East of Callander, 350 to 2,950 miles, say 7/59, 52/59 for portion West of Callander.....	1,087,801	8,080,954
Interest and financial expenses and on entire main line 52/59th of total.....	1,389,474	
Proportion East of Callander.....	164,853	
		<u>1,224,621</u>
Expended under contract.....	\$58,011,996	

East of Callander they did not build a road ; they acquired existing roads ; they acquired the Canada Central Railway running from this city via Carleton Place to Callander, and they acquired the Brockville & Ottawa.

## EAST OF CALLANDER.

Acquisition of main line.....	\$4,213,758	
Proportion of equipment 7/59	1,087,801	
Proportion of expenses 7/59	164,853	
		<u>5,466,412</u>
Total cost of entire main line.....	\$63,478,408	
BRANCHES—		
Algoma branch; branches at Winnipeg.....		4,605,172
CONNECTIONS—		
S. E. Ry., Manitoba S. W., St. L. & O., Atlantic & N. W. &c.....	5,857,224	
Dividends.....	5,378,000	
Deposit as security for dividend.....	6,907,377	
		<u>\$86,226,181</u>

Gentlemen may quarrel with the items for connections and dividends, and with the item deposited as security, but these are the absolute expenditures of the company, and it is necessary that they should be recorded in order to show where the company's money went, and satisfy the House that as far as the public money went it was expended upon the main line from Montreal to Port Moody.

This total expenditure, \$86,226,000, was provided in this way :

Government subsidy.....	\$20,240,317	
Proceeds of land.....	8,702,086	
Town sites.....	504,675	
Total aid from Govt.....	\$29,447,078	
Government loan.....	18,626,600	
		<u>48,073,678</u>
		<u>\$38,152,503</u>
Amount provided by Company from these sources:		
Capital stock.....	\$29,568,123	
Bonuses.....	232,600	
Earnings (nett).....	1,456,318	
Floating debt.....	6,895,462	
		<u>\$38,152,503</u>

People are disposed, and I have been too apt myself in the past, to confound the loan and the subsidy together. I do not think we should in any way grudge this company the subsidy. It is part of their contract. We speak of it as though they were indebted to the country for the subsidy as well as the loan. For the loan they are indebted to the country. That was a matter of grace and favor, but the subsidy is theirs: they earned it and have given value for it, and it is as much theirs as the price of a house would be if they had built it under contract. The following is a resumé of the figures I have given :

The Company expended on the main line west of Callander.....	\$48,706,421	
It received subsidies.....	29,447,078	
Surplus above subsidies.....	\$19,259,343	
It received as a loan from the Government, for which it has given security.....	\$18,626,600	
Expended on contract portion above both loan and subsidies.....	\$ 632,743	
The Company expended on the main line proper, Montreal, to the Pacific.....	\$58,011,996	
It received from the Government subsidies.....	\$29,447,078	
Government loan secured.....	\$18,626,600	\$48,073,678
Surplus provided by the Co. on entire main line.....		\$9,938,318

In the face of the statements which I have submitted it seems to me clear that no one can justly or truly say that the company have not expended on the main line, between Montreal and Port Moody, all the money which they received from the Government. They have expended all of that and more too, and it seems to me that is the point with which we have to deal. I do not think we have the same right to criticize the course which they pursue with reference to their stock. It was their own, and they raised money on it and expended it partly on the main line and