

Minister of Railways told us that they would desist from exercising the power of disallowance when the main line was opened over the North Shore, and that it was expected to be opened this year. It is open now in a sense; trains have passed over it with traffic. There are railway companies waiting to know whether the power of disallowance is to be exercised or not; they are afraid to go on with their work, because they remember that one company spent a considerable sum of money in grading their line, and that it was swept out of existence by disallowance; and they want to know whether the pledge of the First Minister and of the Minister of Railways is to be fulfilled, and whether that which I regard as an unconstitutional exercise of the power of disallowance is to prevent any longer that Province from building railways as freely as other Provinces in this Dominion. Is it to be all give and no get? Is it to be nothing on one side and all on the other? If we had to take over this line after all these arrangements are made, what would we have paid and have to pay? The \$25,000,000 of subsidy; \$11,000,000 which have been received by the company from lands, land grant bonds, and so forth; \$20,000,000 on our railway mortgage; \$10,000,000 on our land mortgage; \$30,000,000 on our works; \$3,500,000 on our surveys; \$15,000,000 for the public bondholders, making a total of \$114,500,000; and there would be besides \$14,000,000, which is the sum of the proposals now on the Table and those which have been voted by Parliament before for eastern and western arrangements in connection with the Canadian Pacific Railway, but not included in the original contracted line. That makes a total of \$128,500,000 in cash, besides the defaulted interest, which we would not of course get,—\$128,500,000 which, under the present proposals, this country would have to pay before it could get control of this railway. Now, the Acting Minister of Railways made a statement the other day, of the most extraordinary character. He summed up the expenditure in case of default at \$104,500,000. In that he included the lands sold, calculating them at \$2 an acre, a price below what they brought to the company, and he included the \$5,000,000 for the new loan; but he omitted the interest account, and the \$15,000,000 of bonds, altogether, and in that way made up the \$104,500,000. That is bad enough; but he then went to work to deduct, and he said, there are 21,500,000 or more acres of land, worth \$2 an acre, which we will get back, and they are worth \$43,350,000. Deducting these the road will cost us \$61,150,000 only. The land which we gave over for the construction of the road is not charged in the expense when he sums up its cost to us, but he credits it when we get the road back. He puts it down on one side, and not on the other; and that is the principle on which the hon. gentleman deals with the railway company. I wonder if that is the way he dealt with the affairs of the International line—whether he handled its contractors in that manner—whether he agreed that what was paid should not be accounted in the payment, but should be credited when the road was got back. Let us simplify this transaction. Instead of mixing together acres and dollars, let us talk only of acres or only of dollars. Is it fair or reasonable to put in the account of expenditure \$104,500,000 and say nothing about the twenty one millions of acres, and when you go to the account of what you will get back, to say: I will get back 21,000,000 acres? If you say you will get it back, you must acknowledge that you gave it away in the first instance. Take it in dollars, take the 21,000,000 acres as represented by \$43,000,000, then is it fair and reasonable to say: I did not count in what I gave that 43,000,000, but I am getting that back, and I will give credit for it, and yet that is what the Minister has done, and by that sort of book-keeping does he reduce the cost of the Canadian Pacific Railway to the country to \$61,150,000.

Mr. ORTON. The value of the lands is created by the construction of the road.

Mr. BLAKE. Oh dear, Oh dear! Is the grant of land of no value? I hope that I will hear the Minister of Railways give that reason, and I will wait to answer it until then. Is it decent that a deliberate statement, a revised statement, a written statement, a statement carefully made up and calculated, should be laid before this country by this Administration, based upon such principles as that, and that they should strive so to persuade the people that the road will cost the country only that sum? A very unhappy reference was made by the Secretary of State to the aids to the American roads and to the cost of those roads. No road in the United States, not one of the Pacific roads, was given a money gift; not a single Pacific road was given a money subsidy. Two of those roads were loaned bonds; the bonds were not given to them; it was a loan of the credit of the country to the Union Pacific and the Central Pacific, and it aggregated somewhere about \$60,000,000 of bonds, for which a first mortgage was taken, which mortgage was afterwards made a second mortgage to ease the financial operations of the company. So that I say no road was given a present of money. Our road has been given a present of money and of works, which were built by the Government and are therefore equivalent to money, according to my calculation, amounting to something like \$58,500,000. As I have said, no American road received any grant of money, and only two received loans of money—the Union Pacific and the Central Pacific. They were built—we know when, we know how, we know at what era of railway building, in what condition of the country, and under what circumstances they were built. Why, to read the account of the construction of the Union Pacific and the Central Pacific, at the time they were constructed, and to compare it with the work of railway building to-day, or when the Canadian Pacific Railway was built, will show you the difference; and as to the question of cost, why some of the iron rails, and those of a character which were not very good and did not last very long, cost the Union Pacific more than \$100 a ton. The iron rails on a large portion of the road cost alone \$17,000 a mile. They cost more per mile than the entire construction of the 615 miles west of Winnipeg, which cost, supplied with steel rails, \$16,800 a mile, against \$17,000 a mile for iron rails alone on the Union Pacific. Then the stated combined mileage of the Union Pacific and Central Pacific, because in some of the statistics this system is now combined—their branches and main line together—is 3,554 miles. Their land grants, as I believe is the case with all the land grants in all the American States, were of the land as it came. There was no provision whatever for bad sections, whether rivers, marshes, or unfertile lands. They took their chances with the country, each taking one-half, and it was a question, in fact, of lot. It was good and bad. That is an enormous difference. Again, they took it only out of the sections that happened to be unallotted when they were entitled to claim their grant, and they were not entitled until every particular section had been constructed and accepted. In the meantime the United States were entitled to sell or settle the lands, and whatever the United States had sold and settled came out of the railway company's grant, and the railway company did not receive the money or any allowance. Many millions, fives and tens of millions, were lost in this way from the different land grants of several of the Pacific roads. Since the first two roads were built circumstances have wholly changed, and since that time not one dollar of money has been given or lent by the United States to an American Pacific railway. All that has been done is to give land grants, great quantities of