

which are desert, and of the great quantities which are not wholly desert, but are mixed up, good, bad and indifferent, they of course come under the operation of deduction to which I have referred. The Central and Union Pacific systems received about 32,000,000 acres. The Atlantic and Pacific, whose intended mileage is 2,500, of which but a small portion is constructed, is to have only 17,000,000 acres. The Southern Pacific, 929 miles, has 10,445,000 acres; the Texas Pacific, 1,901 miles, 12,000,000 acres; the Northern Pacific, 2,700 miles, may get, but it is disputed, 42,500,000 acres, of which 15,000,000 is all that is vested, and it is claimed the company has forfeited its right to the whole or to a very great portion of the remainder, and of that which may not be forfeited, a large portion is hilly country. Comparing these in every aspect you please, whether in the figures, in the quality of the land, or in the cost of railway building, you find no comparison whatever between the American lines and the Canadian line. The Acting Minister of Railways was imprudent enough to refer to the cost of these roads, when he compared them to the Canadian Pacific Railway. I quite admit the nominal cost was enormous. They were constructed on the good old-fashioned plan, the plan which has caused American railway investments to stink in the nostrils of Europeans, and even of the American investor of late years. They were constructed on the old plan of watered stock, of enormous bond issues, of *credits mobiliers* and construction company contracts, of which we saw a specimen on this Table a little while ago in connection with the Canadian Pacific Railway. They were constructed according to these principles, and by these principles was this enormous apparent capital account created. The apparent cost of the Union and Central Pacific systems was \$91,150 a mile or \$324,000,000. The real cost was estimated to be about \$30,000 a mile, as estimated when the road was just about completed, by the engineer of the Government. In the year 1831 again the Government officer estimated that the road would cost, laid with good steel rails, \$25,042 a mile or \$91,150,000, instead of \$324,000,000. Between one-third and one-fourth the nominal cost of the road. Let this be a lesson to us how we permit the system of stock watering to invade our subsidised roads, how we permit the system of *credit mobiliers* and construction companies to invade our Legislative halls, as well as our companies' headquarters. Then of the Atlantic and Pacific, the nominal cost was \$35,526 per mile or \$33,816,000; the real cost of that road, as estimated in 1831 by the Government, was \$20,000 a mile or \$50,000,000. The Southern Pacific, nominal cost \$31,020 a mile, or \$75,250,000; the real cost, estimated in 1831, was \$25,000 a mile or \$24,225,000. The Texas Pacific, \$37,416 per mile nominal, or \$71,130,000; the real cost, estimated in 1831, was \$20,000 a mile, or \$33,020,000. Look at what was fictitious on the one hand, and on the other look at what was real. Look at the nominal amount, the enormous amount of fictitious capital which has been palmed off upon a credulous public of investors, and under which so far as the law of competition has not admitted of relief, the public tributary to the railways is obliged to stagger, because, as I said, I entirely admit that, so far as your road is a monopoly road, the capital account will be regarded in considering the tariffs; and therefore I am glad that hon. gentlemen opposite referred to these American roads and to their system of finance, because they furnish lessons to us, to which I have alluded formerly in this House, which were not heeded by the majority at that time, and the melancholy results of which we are now to reckon with. The hon. the Secretary of State said, and I quite agree with him, that it was of prime importance to keep down the cost of construction; but it is also of great importance to keep down the nominal cost; because you already find this company rating its stock at \$65,000,000, as if a dollar had been

paid for every dollar of that \$65,000,000. You find it estimating the cost of the main line at a sum including the aggregate of that nominal stock; you find it already trying to persuade the public that there is value there for all the stock it issued at a discount of 60, or whatever it may be; you already find it trying to pile up a capital account under which it may ask this House a little later on to sanction tolls upon that portion of the road which, under the monopoly provision is subject to and tributary to the company. It was a sound and prudent proposal of the Secretary of State that we should keep down the cost of construction, and it is also a sound and prudent proposal which I have made that we should keep down the issue of fictitious capital. I turn now to the nature and extent of our own Pacific Railway aids, and one cannot but be amazed and confounded at the nature and extent of those aids. What are they? There were 1,909 miles of road to be built by this corporation, and 2,550 miles to equip. That is what they had to do. What is done for them? The Government builds and hands over to them 641 miles of the main line, besides the Pembina branch, the probable cost of which I estimated, before the hon. acting Minister of Railways made his statement, at \$30,000,000. He says now \$29,500,000. I dare say we shall entirely agree by next Session, but I will leave it now at \$30,000,000, because, I am sorry to say, half a million more or less in the figures I am about to deal with is of very little consequence. The Government surveys cost \$3,500,000 about, really, I believe, \$3,440,000. The Government subsidy in cash was \$25,000,000. The Government provision of lands and powers has already realised to the company about \$11,000,000 in cash, under the operation of the land grant bonds system, the sales of town sites, and so on. That makes a total of cash or its equivalent of \$69,500,000, besides which there are 20,000,000 acres of land, because I throw off 1,400,000 acres with the \$2,060,000 now due for land sales, to meet the outstanding \$3,600,000, of land grant bonds in the hands of the public. Throwing this off—the proceeds of land sales yet to be collected and this fourteen hundred thousand acres of land to which I refer gives you a net 20,000,000 acres of free lands. So there were \$69,500,000 in cash aids, and 20,000,000 acres of land. If you value that at a dollar, you get public aids, not loans but gifts, of \$39,500,000. If you value that at \$2, which hon. gentlemen opposite and the company in their report of the day before yesterday value it at, you get public aids of \$109,500,000. There is the condition of things. Remember these are not loans, these are gifts. Besides that, there were those monopolies, those exemptions and those privileges to which I have referred more than once, which are of enormous value to the company and are of still greater disadvantage to the country. The sternness with which they are clung to shows their value to the company and shows their injury to the country. Throw them in at what you please, you find the aids in cash or its equivalent and in land, according as you value the latter at \$1 or \$2 an acre, amount to either \$93,500,000 or \$109,500,000 given to the company. Now add the loans of 1884. They amount to \$29,810,000. Then you have gifts, as before, \$69,500,000; loans, \$29,810,000, or a total of cash aids of \$99,310,000. Then add the 20,000,000 of acres and, if you value the lands at \$1, you have \$119,310,000, or if you value them at \$2, it gives you a total of gifts and loans, a total of aids of \$139,310,000. And the cost of the whole line, the Government and the company's sections, according to their own estimate was \$3,500,000, and the equipment \$3,000,000, making a total of \$91,500,000; and it is to be the property of the company, and the company and the Government both declare that it is going to pay from the day it is opened. Not merely does the Government declare that the whole line is going to pay from its opening, but the First Minister has declared in this House that the ends of that line are