

transportation systems to meet public requirements. They have given evidence of this by the adoption of a policy which has long remained on our statute-books of granting substantial aid from time to time to all railway enterprises which may have come within the terms of the Act. The committals of the Government of Canada since Confederation for the purpose of building up the transportation systems of this country have been so overwhelmingly large that to survey them inclines one to say that the dauntless character of Canadian Governments has not been eclipsed by any other government in the world. We have assumed obligations for the building of our railways that I fancy have no parallel in any other constitutionally governed country. However, that has been the policy of Canada for some years past, and we find ourselves under present conditions, owing to the march of events which has convulsed the world within the last two years, called upon to take stock of our obligations and to consider where they will lead us. This situation is peculiarly applicable to Canada at the present time in connection with the two great undertakings which are now before us for consideration. It is needless to discuss at this moment why Canada entered upon the building of those transcontinental systems. Suffice it to say that, in the wisdom of the Government of the day, we are committed to those undertakings and to the maintenance of the credit and the honour of Canada in a financial sense, and to the bringing of those enterprises to a satisfactory completion if we can possibly do so. Now, in the first place we propose, as I have already pointed out, making a loan to the Canadian Northern Railway of \$15,000,000 on first mortgage security on a 6 per cent basis, that security to cover the entire system. Notwithstanding the enormous obligations which have been assumed, not only by this Government, but by the Provincial Governments of Canada, in connection with this enterprise, there are some satisfactory features of the undertaking which should not be overlooked. In the first place, the Government of Canada is interested in the enterprise to the extent of protecting its guarantees. It has an interest in the undertaking to the extent of 40 per cent of its stock, and an interest, as I have already said, in maintaining the credit of Canada by protecting the guarantees which we have already entered into, and also indirectly protecting the guarantees of the various provinces of Canada that likewise have

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been committed to this undertaking. We must not overlook, at the same time, the credit of Canada, so far as it has been pledged in a national way by the financing of this undertaking, not only in European money markets, but in the money markets of this continent. The Federal Government has guaranteed securities to the amount of \$104,613,247. The provinces of Canada have guaranteed security even beyond that—to the extent of \$107,027,895, and there are unguaranteed securities of \$125,713,115. There are also land grant securities amounting to \$20,416,529. There is also an issue of 5 per cent convertible debenture stock of \$25,000,000, making a funded debt of \$383,770,798. In this connection it may not be inappropriate for me to point out the advantages the Canadian Northern railway has over other railways as to its fixed charges, and as to the possibility of its competing in the future as a railway enterprise with the other transcontinental systems, possibly involving action in the meantime by the Government in regard to further protection of our guarantees upon which we have entered. At the same time I should like to point out to hon. gentlemen that the position in relation to fixed charges of the Canadian Northern railway, notwithstanding the very large debt, funded and otherwise, which I have pointed out, is, in a sense, superior to that of the other roads. I find that the Grand Trunk Pacific railway has a fixed charge of \$4,132 per mile, on a mileage of 1,744 miles. The Grand Trunk railway of Canada, with a mileage of 3,552 miles, has a fixed charge per mile of \$2,745. The Canadian Pacific railway, with a mileage of 12,824 miles, has a fixed charge per mile of \$2,402, while the Canadian Northern railway, with a mileage of 9,993 miles, has a fixed charge of \$1,299. Now let me repeat that, so that hon. gentlemen may appreciate the advantages of this particular system, notwithstanding the financial disadvantages against which it has at present to contend.

Hon. Mr. ROCHE—Has the Canadian Northern railway any land reserve?

Hon. Mr. LOUGHEED—It has certain lands, against which it has issued land grant securities amounting to \$21,416,529. I am sorry that I cannot give my hon. friend at the moment the valuation of the lands against which those securities are registered.