

with what the road will cost the country in case of default. He reckons, amongst the items of cost to the country, not his valuation or anyone else's valuation of the land which has been sold, and which we are necessarily deprived of, but \$11,000,000, which he says they have derived from the lands. Now, I could understand that as being fair if he were figuring what the road will cost the company; but when he is figuring what the road will cost the country, I should say that it would be more proper for him, seeing that he was very critical with the Acting Minister of Railways in his statement, to give us an estimate of the value of the lands sold rather than to charge in that statement the gross amount, making no allowance for administering the lands—the gross amount of what was received from the sale of these lands, namely, \$11,000,000. Then, the hon. gentleman makes even a more questionable entry than that in his statement. He charges \$15,000,000 in that statement as the cost of the road in case of default—the amount of the bonds which are to be given to the company to float. Now, that is on the assumption, as he stated, that the country will be obliged to buy these bonds and pay for them, an assumption with which I certainly do not agree. The hon. gentleman did not find any fault with the statement of the Acting Minister of Railways as to the cost of the road to the country, in case of default, if there should be default. He only found fault with the credit entry of the 21,000,000 acres of land at \$2 an acre. Now, what is this statement of cost which the hon. the Acting Minister of Railways gave, and which, as I take it, the leader of the Opposition admits to be practically correct. That statement certainly includes everything which can possibly be charged as the cost of the railway, in case the worst comes to the worst, and there should be default. At the risk of seeming prolix, I shall give you this statement, which is not a very lengthy one. We have 3,753,400 acres of land sold at the value of \$2 an acre, amounting to \$7,506,800; cash subsidy paid and to be paid, \$25,000,000; the loan of the last Session paid and to be paid, supposing it is all paid, \$25,500,000; proposed loan of this Session, \$5,000,000; debt on the Canada Central, \$5,333,333, and guaranteed dividend, \$7,383,912; land grant bonds sold, with no sales of land to redeem them, \$1,123,500; and cost of Government work, \$29,500,000; making a total of everything that can be fairly included in connection with the cost of this railway, \$103,344,545, an amount that is within the hon. gentleman's estimate in his former speeches of what would be the cost of this railway. The hon. gentleman, as I said before, made a large number of statements as to the cost of the road, as to the amount the company had received, and as to the disposition they had made of it; but I do not gather, from all his speeches, that he thought any of the money had been stolen by the company or anybody else. On the contrary, his explanation of the money which he claimed had not gone into the main line was that it had been invested in outside enterprises and appropriated in paying dividends. I would ask you, Sir, to note especially what the hon. gentleman said as to the effect of a large local traffic upon a road with regard to through business. The hon. gentleman truly said that if we can give to the Canadian Pacific Railway a large local traffic we will make it possible for that railway to carry through business at a low rate, but that, on the contrary, if it has not a large local traffic, the charges upon through business must necessarily be large and excessive. Well, Sir, the company took that same view of the matter. How would you obtain local business if you did not find it within the reach of your main line? Manifestly, by building branches, by extending your connections, by reaching out in different directions to tap business centres. Well, Sir, that the company have done. You certainly would not object to the extension from Callander to Montreal. What position would the Canadian Pacific Railway be in if, on

reaching Callander, it were obliged to hand over all its traffic to some independent company, to charge what they saw fit from Callander to Montreal? Why, Sir, if the people of the city of Quebec complain, and justly complain, of the charges made at the present time by the Grand Trunk Railway, between Montreal and Quebec, how much more would they, as well as the people of all this part of the Dominion, including the people of the great Province of Ontario, complain if the Canadian Pacific Railway, on reaching Callander were entirely dependent, in distributing its traffic at that point, on what other and independent lines of railway saw fit to charge? Then, Sir, you cannot object to the extension from Ottawa to Brockville, which gives you connection with the American line of railway at Morristown, N.Y.; you cannot object to the extension from Ottawa to Prescott, which gives you connection with the Rome and Watertown road, at Ogdensburg; you cannot object to the Algoma branch, which, in my opinion, when completed, together with the road from St. Paul to Sault Ste. Marie, will furnish a much larger volume of traffic to the Canadian Pacific Railway than will be given by any other branch of that line. I look forward to the day as being not very distant when a very large portion of that traffic which now centres in Chicago will not go by Chicago at all, but by the proposed new line from St. Paul and Minneapolis to Sault Ste. Marie, and over our own Canadian Pacific Railway system. Then, the Manitoba South Western Railway, in which a considerable amount of money has been placed, the hon. gentleman himself declared the other night, was an enterprise that should be completed, and completed without delay; and, so far as I was able to understand, his objection was that construction had not been proceeded with more rapidly. So that, with regard to investments made by this company in outside enterprises, when we come to consider these enterprises it must be admitted that they are as important to the general scheme as the construction of the main line itself. But the hon. gentleman, in the fourth part of his speech, complained that the company have paid dividends, and he kept this sweetest morsel of his speech, in his opinion, apparently, to the very last; he kept the best of the wine, in his estimation, until the last of the feast; and he drew a very eloquent and harrowing picture of the wrongs which have been suffered by the navvies and the section men of this railway, who have been going without their pay while these bloated stockholders have been drawing their dividends. The hon. gentleman, I presume, was quite right, from a political point of view, in giving great prominence to that part of his speech; and if his statement, which was certainly very plausible and very forcible, was the only statement that could be made, it would be very effective, and taking in the country. But what are the circumstances of the present case, and what has led to the state of things he mentions? The circumstances are these: Canada, in 1881, had a great deal more knowledge of this enterprise, and of what it would cost than it had had in previous years; but we did not know half as much about it as we know to-day. The Government have been learning, the country have been learning, and the Opposition have been learning, ever since the contract has been let to the Pacific Railway Syndicate—

Some hon. MEMBERS. • Hear, hear.

Mr. IVES. Yes, you have a good deal to learn yet. When this scheme was first set on foot, as the hon. gentleman truly said, it was proposed that the capital stock should be \$5,000,000, and it was understood that the gentlemen who composed the syndicate, and who afterwards became stockholders in the company, should, either themselves or by others, pay into the Treasury that sum. It was expected at that time—so little did we know what this enterprise would really cost, and so little did we know of its great magnitude and the necessity of branches, exten-