

declared that there was ample security, ample funds; that they did not want any further applications for aid. They wanted the matter settled then once and for all; but these suggestions have not been borne out. Then, during Christmas vacation, while the great debate was going on there was a meeting at Montreal, on the 9th of January, 1881, at which Sir Charles Tupper made a speech. He said:

"We must go on with the work, and now we are going to build the whole railway without costing the people a single dollar."

Then the Minister of Public Works, who could not attend the meeting, sent a letter, and *litera scripta manet*:

"By giving 25,000,000 acres and \$25,000,000 we will, by our scheme secure the building of the railway and its working for all time to come."

And persuaded by the assurances of the Minister of Public Works and the eloquence of Sir Charles Tupper, the meeting came to a resolution approving of the policy of the Government on this condition:

"While it limits our outlay and responsibility to a fixed annual sum."

That was the ground which had been pressed upon the meeting, and upon that ground these worthy citizens gave it their support. There followed, very shortly, a period of expansion, which we know and remember to our cost. There came the time of the boom, the season of the boasts of the Government—their boasts of progress; the time at which the company announced to them that they intended to complete the road in 1886, and great joy was uttered at that announcement. There came the time of inflated stock, the time of the changed policy about branches, of the outside schemes, the time of the inflated estimates of the results to the country itself; there came the good time for hon. gentlemen of 1882 and early 1883. There came the time, on the 4th May, 1883, when the Minister of Railways read a statement to the House, for its information, in making his annual Canadian Pacific Railway report—a statement from the Department of the Interior, declaring that, after a careful and exhaustive examination, they had come to the conclusion that the country would receive, within the nine years ending in 1891, \$58,000,000 in cash from the lands of the North-West. This statement was solemnly read, with grave face and measured tones, to prove to us that we were going to be recouped for our expenses. What were our expenses? We had heard nothing at that time of the loan of \$30,000,000, it was the original expenditure of \$28,000,000 or thirty-three and a half millions, just as you may count it, in Government works and subsidies, and \$25,000,000 subsidy. It was an expenditure practically to be covered by \$58,000,000. They had declared, in 1881, that they were going to pay this out of the lands of the country, and they brought proof to show it by an official document from the office of the Interior, running out the result with a critical, and, perhaps, I might say, an almost suspicious degree of accuracy, to a figure which neatly covered the required amount. The Minister of Finance, too, at the suggestion of the Minister of Railways, forecast the future and gave us estimates for several years. For the years 1882-83 he estimated that we should make out of public lands \$1,750,000; we made \$1,009,019. For 1883-84 he predicted a surplus from consolidated revenue of \$3,000,000; we got \$754,255. He estimated, as the proceeds of the lands for 1883-84, two millions and a quarter; we got \$951,636. He estimated a surplus from consolidated revenue for 1884-85 of one million dollars. Early in the Session, when he made his Budget Speech, he estimated \$350,000, apart from the lands, as the surplus for 1884-85, but I am sorry to say that even that modest surplus has long since disappeared, and has been replaced by appalling figures on the other side of the account. He estimated, as the proceeds of the lands for 1884-85, one million of dollars; in his Budget Speech for

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this year he estimates half a million. He estimated a surplus from consolidated revenue, for 1885-86, of one million dollars; in his Budget Speech of this year he estimated it at *nil*. He estimated the proceeds of the lands for 1885-86 at one million dollars; in his Budget Speech of this year he puts it at \$700,000, and I think, when the figures come to be revised, when the Supplementary Estimates come down, it will be found that that calculation will be largely cut down. He carried on these estimates down to 1891, estimating the comparatively neat round sum of \$1,000,000 from lands, and \$1,000,000 surplus from consolidated revenue each year, and he proved that we could pay for the Canadian Pacific Railway very handsomely in that and other ways. Well, the figures I have given you down to 1885-86, show 11,000,000 of an estimate, against the present estimate of \$4,164,000, or thereabouts, so that there is a large deficiency there. Meanwhile, while the boasts of hon. gentlemen were filling the land, while they were boasting of the great progress of the Canadian Pacific Railway, of the great progress of the country, of its wonderful development, of the great success of their schemes, of how everybody was going to be made rich, while they were calling on everybody to put on more sail, inviting prudent men to sink their hardly-made earnings in speculation, doing all they could to press on that inflation which we all remember—monopoly and disallowance were doing their work in the North-West, and the pressure for the main line construction overshadowed the earlier and wiser plans of the Canadian Pacific Railway Company itself, to prosecute branch lines forthwith. That company brought forward a plan for the prosecution of branch lines of many hundreds of miles in length throughout the country. They were to be proceeded with soon—not when the main road was completed, as the First Minister said the other day, but almost immediately; but the moment that this project of completing the road from end to end in 1886 took shape, of course it was necessary that the company should strain every nerve and devote all its energies to the prosecution of a single long line, to the exclusion of the branches, and the people were worse off than if these promises had not been made, worse off than if these lines had not been projected. Large blocks of land had been reserved as railway lands; large territories had been pointed out to the country as to be permeated by railways; settlers went on these lands; other settlers were thwarted, and disappointment and distress prevailed through a wide extent of country, in consequence of unhappy alterations of plans. Then came the change of scene, in the fall of 1883, when hon. gentlemen opposite took the responsibility, executive, of agreeing to a thing in excess of their powers, namely, the arrangement to make the guarantee for the company. It was an arrangement the financial element in the success of which I have never been able to discern. The Minister of Railways declared that it ought to have succeeded, because all the most eminent financiers of Canada, New York and London had agreed it ought to succeed, and he could not make out why it had not succeeded. Well, I never could make out how it was expected to succeed, on the theory that money's worth was being given to the Government for the guarantee, and that money's worth was being extracted from the company to provide a dividend. How in the world that was going to increase the value of the stock to the holders I have never been able to see, and the public seem to have taken the same view, because the arrangement has been an entire failure. But the Government had committed themselves to the policy of agreeing that the company should appropriate enormous portions of its capital to the payment of dividends during construction and for years after construction; the Government sanctioned that policy and agreed to invoke the aid of Parliament, in which they were all-powerful, to make it lawful and to carry it out. The most injurious consequences flowed from that great