

estimates of the leader of the Opposition. He has always argued that this road would not pay running expenses, at all events, during the first years of its operation, and if it will not pay running expenses it certainly will not pay interest on capital account. Suppose we add ten years interest at the same rate for the period during which we may fairly say, according to the hon. gentleman's estimates, that there will be a loss of interest on capital account. Add the interest for the first ten years of the operation of the road, \$27,420,000, and you have a total of \$95,970,000 as the cost of the work to be done by the Syndicate, including interest, which they must lose. Now I am not able to give the hon. gentleman's figures of loss for operating expenses, but he stated it would be no doubt a large sum. He stated that the hon. member for Lambton had said that Mr. Fleming estimated it as high as \$6,000,000 a year.

Mr. BLAKE. No; the gross, not the loss of operating.

Mr. IVES. Out of it would be deducted the receipts, but I have added to this amount as the total of loss—I have been very modest in the matter—I have added as the total loss of operating expenses, \$4,030,000, and we have here a grand total of \$100,000,000 which the Syndicate have got to get out of 25,000,000 acres of land, or, in other words, we sell it at four dollars an acre which is slightly better than \$3.18, which the leader of the Opposition said that the right hon. leader of the Government had estimated it to be worth. Now, perhaps, the hon. gentleman will not approve of those estimates, perhaps he will not like to see them applied to the present state of affairs. We will take the estimates of the hon. the Minister of Railways of last Session, and I must say that I believe that in one particular these estimates will be found to be under rather than over the mark, and that is the cost of construction of the prairie section. His estimates were, from Selkirk to Jasper Valley, \$13,000,000; from Jasper Valley to Kamloops, \$15,500,000; from Nipissing to Lake Superior, \$13,000,000, making a total of \$46,500,000. To this you must add for the equipment of these sections, which the Government construct but do not equip, the following figures: from Lake Superior to Selkirk, \$800,000; from Kamloops to Port Moody, \$430,000; from Emerson to Selkirk, \$120,000, making a total of \$47,850,000. Deduct from that cost \$25,000,000, and you have a balance of \$22,850,000. Add to that interest, as in the other case—because I do not suppose any one will contend that there will not be a loss of interest during construction, and during the first ten years of operation—say 15 years interest at four per cent., and you have a total of \$36,560,000, that is taking the sale of the land at \$1.46 per acre. But I have every reason to believe that the cost of this prairie section will prove to be more than \$13,000 a mile. That part of the road will have to be constructed almost entirely with rolling stock, that is, by drawing the ballast on to the road by means of rolling stock. A large amount of rolling stock will be required, and it must not be lost sight of that the rails and supplies for the workmen will have to be transported a long distance. Ties will be far more expensive on that central section than anywhere else on the whole line. If we take the cost of construction of that portion of the road at \$18,000 a mile, we have the following figures: from Selkirk to Jasper Valley, \$18,000,000; from Jasper Valley to Kamloops, \$15,500,000; from Nipissing to Lake Superior, \$13,000,000, making a total of \$46,500,000 to be expended by the Syndicate; add for equipment of the other portions of the line \$1,350,000, and you will have a total of \$47,850,000; deduct the cash and there is an expenditure by the Syndicate of \$22,850,000; add fifteen years interest as before, \$13,710,000, and you have a total of \$36,560,000. This would be the sale of the land at \$1.46 per acre, and if you call the land worth one dollar an acre, the Syndicate would lose \$11,500,000. To offset this they would have the portions completed by the Government. So much for the

estimates upon this branch of the subject. I cannot help here, although the ground has been gone over by the hon. the Minister of Railways, making a comparison between this bargain and the Allan charter, and the arrangement proposed by the late Government. Comparing the work with the Allan contract, taking the distance at 2,627 miles, and calling the land worth one dollar an acre, you have, under the Allan contract, cash \$30,000,000; main line of land, \$50,000,000; Pembina Branch, \$1,700,000; Georgian Bay Branch, \$3,000,000, making a total of \$84,700,000. Under the present arrangement the total to be expended by the Government, exclusive of subsidy, is \$28,000,000; cash, \$25,000,000; land, \$25,000,000, making a total of \$78,000,000, which would be a saving under the present arrangement over the Allan contract, of \$6,700,000. There is another point to which I have not heard any previous speaker allude, and that is the rate per cent. which money was worth then and is worth now. The same rate per cent., at the present day, would pay both interest and sinking fund on a 38 years bond. In other words, making our financial arrangement for the construction of the Pacific Railway now, there would be a sufficient saving of interest to wipe off the whole obligation of the whole money portion in 38 years. Then, if you take the land at \$2 per acre, you find the advantage to be still more striking. There would be cash, \$30,000,000; land, \$100,000,000, for the main line, and \$3,400,000 for the Pembina Branch, and \$6,000,000 for the Georgian Bay Branch, or in all \$139,400,000. Under the present contract there will be a cash expenditure of \$28,000,000; subsidy, \$25,000,000; and for the land, \$50,000,000, making in all \$103,000,000, a saving of \$36,400,000. Let us compare this with the amount suggested by the late Government, leaving out of consideration the offer to guarantee the interest upon the bonds. The main line is 2,627 miles long; the Pembina Branch, 85 miles, and the Georgian Bay Branch, 85 miles, a total length of 2,797 miles. The amount of cash, under the offer of the late Government was, \$27,970,000; and in lands, at \$1 per acre, \$55,940,000, making a total of \$83,910,000 as against \$78,000,000 by the contract under the present Government, a saving of \$5,910,000. If the land be reckoned at \$2 per acre, the figures will be as follows: under the arrangements of the late Government, \$27,970,000 in cash and \$111,980,000 in lands, making a total of \$139,950,000, as against \$103,000,000 which would be the amount of the present contract if the lands were taken at \$2 per acre. This would show a saving of \$36,950,000, without taking into account the guaranteeing of the bonds. As to the value of the lands I agree very much with the speaker who preceded me. I do not care whether you call the price \$1, \$2 or \$3.18 per acre, so far as the arrangements are concerned, but I cannot resist the temptation of giving a few quotations from the remarks of hon. gentleman opposite as to the value of these lands. In the course of the debate of 1871, the member for Gloucester (Mr. Anglin) said:

"A company had been spoken of but where was the company? How could any company raise \$75,000,000 on 50,000,000 acres of barren waste land?"

The Hon. Mr. Joly, then a leading member of the Liberal party, said:

"For years to come the line could not pay one-tenth part of its cost, and no company would undertake it unless they received every assistance, for the line would not obtain anything like the traffic that the Union Pacific obtained."

The Hon. Mr. Smith said:

"No one could suppose that even after the road was built it would pay one-tenth of its working expenses, and how, therefore, could British capitalists be expected to undertake it."

The present member for South Wentworth (Mr. Rymal) said:

"Added to this there would be the yearly and ever-increasing burden of maintaining the railway, all of which would fall on the poor taxpayers."