

"In compliance with your directions, I have the honor to consider the cost of the eastern section of the Pacific Railway extending from Thunder Bay, Lake Superior, to the eastern terminus, Lake Nipissing.

"It is impossible to say what labor and materials may cost some years hence, when the period arrives for the eastern section to be undertaken. Taking the basis of present prices and present contracts, and adhering to the economic principles of construction set forth in the letters of yesterday, I feel warranted in stating that \$20,000,000 may be considered a fair estimate of the cost of opening the line from Fort William to the eastern terminus.

"In order that the estimates of the cost of the line from Fort William to the Pacific and from Fort William to the eastern terminus near Lake Nipissing, be clearly understood, I deem it proper to submit the following explanations:—

"I have in previous reports laid before Parliament, advocated a location for the railway with generally light gradients and other favorable engineering features. The policy of the Government, as stated in your letter, likewise the change of line by the abandonment of the old location west of Red River, render it necessary on my part to modify the views I have previously held.

"I have likewise estimated the amount of rolling stock as limited to the extent considered absolutely necessary for colonisation purposes, and I have not overlooked the fact that the transportation of rails and other materials, after our own line from Lake Superior to Manitoba shall have been completed, will be reduced to nominal charges to cover actual outlay, instead of the very high rates we have been compelled to pay by the railways in the United States.

"It must be borne in mind that if present defined policy with respect to the gradual progress of the work be modified, or if the extent of the work be different from that assumed, or if its general character be altered, the cost may be affected by the change. The same result may be looked for if a higher price has to be paid for materials, or for labor, and if through these or other causes the contractors failing to perform what they have undertaken, the work in consequence has to be relet at higher prices. Under these circumstances the cost of the whole line may be increased.

"The estimate submitted is based on the data set forth, and on that data the whole main line, from Port Moody, on the Pacific coast, to the eastern terminus, in the neighborhood of Lake Nipissing, may be constructed in the manner and under the circumstances referred to, for about \$80,000,000. But to meet any of the possible contingencies to which I have referred, I beg leave to recommend that in considering the subject of capital required for the undertaking, a liberal percentage be added."

My hon. friend from Durham was greatly scandalised when he read the documents I have just quoted, and he took the first opportunity that presented itself to lecture the Government upon that point. He laid special stress upon the fact that the prairie section would not be built for \$13,000 a mile. All that part of his speech in the Session of 1880 is worth quoting; I shall content myself by adding to my last quotation, the following:—

"It would be very easy to tell, if only it were convenient to let us know, what the estimated cost of the equipment is. It is included for example in the estimate of \$13,000 a mile for the prairie road. But the hon. Minister of Railways would not tell us how much he could squeeze out for equipment in dollars from the \$13,000 a mile, and I am not surprised because I daresay he would have to go into decimals to give it to us. When you recollect that an adequate rolling stock, according to the former estimates, costs \$2,000 a mile, that the steel rails, plates and fastenings, cost many thousands more per mile, you will find how very little remains of the \$13,000 a mile to construct the railway.

"At a point seventy miles north-west of the longitude of Edmonton, you get to the end of the prairie. \* \* \* I take, therefore, the longitude of Edmonton which is also the point of divergence, in case a northerly route should hereafter be adopted, as, for present purposes, the point of separation between the prairie and the British Columbia sections, and my hon. friend from Lambton, upon all the information which the official documents and the engineer's report give, added to his own knowledge (assuming the continuance of the same gradients and curves and the same style of construction and equipments, which were always intended up to the time he resigned) estimates that the 256 miles from Edmonton to the summit would cost \$9,400,000, which, added to Mr. Fleming's and Mr. Smith's estimates of over \$36,500,000 for the road from the summit to the Pacific, would give a total of over \$45,000,000, as the cost according to the old estimates.

"From Selkirk to Edmonton, according to the old grades and styles of construction, the hon. member for Lambton estimates at \$17,650,000. \* \* \* I do not think we can decide that \$13,000,000 will pay for the work according to the present plan of construction."

Well, Mr. Speaker, we have before us a most extraordinary fact, Mr. Sandford Fleming having said in his report: "Selkirk to Jasper Valley (1,000 miles) with equipment \$13,000,000." The hon. member for Durham comes up and, fortified with the opinions of the hon. member for East York, says: "Jasper Valley to Edmonton (256 miles) \$9,000,000; Edmonton to Selkirk (744 miles) \$17,000,000—\$26,000,000." Exactly double the chief engineer's estimate. The hon. gentleman was not afraid to put Mr. CHAPLEAU.

his reputation at stake and to declare from his seat, a place which allows its occupant to say only what he believes is true; "the section will cost \$26,000 a mile." And if we take his estimate for Selkirk to Edmonton, alone, that is to say 744 miles at \$17,000,000 it is \$22,850 a mile. And now, Mr. Speaker, what do we see? The hon. gentleman getting up in his seat and saying: "My calculations of 1880 were all wrong, the Minister of Railways whom I was then fighting was right; I now declare emphatically that dishonesty or incompetency alone can have absorbed \$16,000 a mile in that prairie region which I said, five years ago would cost \$22,000 a mile." The whole country must congratulate itself upon the happy result we have obtained to-day. Surely there must have been at times a great deal of uneasiness, not to say fear felt, in the community, if public opinion could have been affected by the declarations of my hon. friends opposite. It is within the recollection of everyone that the most fabulous statements were made as to the cost of the railway, and the hon. leader of the Opposition was far from reassuring the public mind, by his elaborate calculations upon the subject. He once informed us that the Pacific would cost the country no less than \$144,500,000 in cash. I am not exaggerating, Mr. Speaker. I quote from the hon. gentleman's speech at the sitting of this House on the 15th April, 1880:

"There are 550 miles of a very difficult road to build from Jasper House to Port Moody. For a part only of that road, for the 493 miles between the divide and Port Moody, Mr. Fleming's estimate was about \$36,000,000. The estimate of Mr. Smith was \$36,500,000, and the estimate of Mr. Cambie was, I think, \$31,000,000. But the average estimate of the Chief and Assistant Engineer may be said to be over \$36,000,000 for this 493 miles, which would run up the 550 miles to \$40,000,000. The Canada Central Railway subsidy reaches \$1,410,000; the surveys, including those location surveys, which, after all, come out of the pockets of the people, whether called exploratory surveys or location surveys, amount to \$4,000,000. The road from Fort William to Selkirk was estimated at \$17,000,000; the Pembina branch cost \$1,500,000, and, adding \$100,000 for the Red River bridge, we reach a little over \$15,000,000. From Selkirk to Edmonton, according to the old grades and style of construction, the hon. member for Lambton estimates at \$17,650,000, which, added to the \$25,000,000, makes a total of over \$42,500,000 as the amount, including what has been spent for surveys which it will have cost the country, irrespective of interest and construction to reach the point which I suggest as the reasonable terminus for the prairie section of the road.

"According to the old system of construction, that central section would cost including the other items, I have mentioned, altogether over \$42,500,000 leaving out entirely both ends. What are the ends to cost? \$45,000,000 as I have stated the cost from Edmonton to Burr's Inlet on the west; and from Fort William to Nipissing on the east, the hon. member for Lambton estimates at a length of about 650 miles and a cost of \$32,500,000. Thus the ends make up together \$77,000,000, the centre part expenditure \$42,500,000 making a total of \$120,000,000 and that wholly exclusive of the legitimate and necessary charges which must be added in all cases, the charge for construction. \* \* \*

"Taking the returns of ten days ago, if \$80,000,000 are expended in the next ten years, there will be a total of over \$24,500,000 for interest, calculating interest on future loans at 5 per cent., the lowest rate, as I believe, at which the money can be raised.

And even, during the last Session what did the hon. member say:

"It is quite true that I submitted to the House, as the result of the calculations of my hon. friend the member for East York (Mr. Mackenzie), based upon the estimates of the engineers up to that date, the probable cost of a first-class railway, from Callander to Port Moody, at the sum he mentions—\$120,000,000. That is perfectly true; I do not understand that the hon. gentleman now finds fault with that estimate. He did find fault with it—

"Sir CHARLES TUPPER. No, no.

"Mr. BLAKE. Yes, he said to-day that he could not controvert my argument about his estimate being too low, because my estimate was true. I venture to say that I heard a great deal of complaint against my argument when I used it. I was told that it was extravagant, and the hon. gentleman thought it was too much altogether; but neither my hon. friend from York, nor myself, was responsible for more than this, that the estimates were the fair results of the estimates of the engineers laid on the Table of the House and printed in the Sessional Papers. I believed them to be so, and that was all we said. I say that the estimates of the Canadian Pacific Railway Company last year came exactly to that figure. They were to spend \$91,000,000 on the road from Callander to Port Moody. The Government sections were to cost \$28,000,000; and if you add \$28,000,000 to \$91,000,000, you get just about \$120,000,000, as nearly as possible; and if you allow a trifle—if