

Mr. HAGGART. The portion between Smith's Falls and Perth was sold, and the amount of money received for that portion is deposited with the Government, as security.

Mr. BLAKE. What is the mileage?

Mr. HAGGART. Twelve miles, and the amount \$300,000.

Mr. BLAKE. Then the debenture stock of the Ontario and Quebec Railway Company—that is, the portion of the stock that is going to the Canadian Pacific Railway—is the price of the 12 miles.

Mr. HAGGART. Yes.

Mr. BLAKE. As part of the guarantee of the Canadian Pacific Railway?

Mr. HAGGART. Yes.

Mr. BLAKE. So the Government will have the guarantee of the Canadian Pacific Railway as security to the Government for the indebtedness of the Canadian Pacific Railway.

Mr. HAGGART. Yes.

On section 2,

Mr. BLAKE. The hon. gentleman will kindly turn to the fifth clause of the lease. The rental there is stated in detail thus:—

"The interest at the rate of 5 per cent. per annum upon the debenture stock of the lessors, which shall be issued by them in conformity with the said indenture of amalgamation of the Credit Valley Railway Company."

Now we have not had that indenture of the amalgamation laid before us, so I have not been able to ascertain the cost of the debenture stock of the lessors, which may be issued by them in conformity with the indenture.

Mr. HAGGART. It is \$25,000 per mile, which is to cover the equipment of the road.

Mr. BLAKE. Then the maximum amount of the debenture stock would be, I suppose, \$3,000,000 under section b?

Mr. HAGGART. Yes.

Mr. BLAKE. Then the next section simply gives power to substitute bonds for debenture stock?

Mr. HAGGART. Yes.

Mr. BLAKE. And Section d is an additional sum of \$300,000, apparently in excess of the \$25,000 per mile.

Mr. HAGGART. It is a part of the \$25,000 per mile.

Mr. BLAKE. Yes, of course, if you include the twelve miles in the Railway.

Mr. HAGGART. Yes; they buy it instead of building it.

Mr. BLAKE. The next section reads:

"The interest at the rate of 5 per cent. per annum upon the debenture stock of the lessors amounting to \$5,000,000, issued, or to be issued, by the lessors for the cost of construction or equipment of their railway from the City of Toronto to the town of Perth."

What is the mileage from Toronto to Perth?

Mr. HAGGART. Two hundred miles.

Mr. BLAKE. Then here is an additional interest at the rate of 5 per cent. on the debenture stock of the extension of the line from Smith's Falls to the Junction to the Atlantic and North-West Railway?

Mr. HAGGART. Yes; 112 miles. Under the charter, they have power to extend either from Smith's Falls to Ottawa, or from Smith's Falls to Montreal.

Mr. BLAKE. There will be a further rental of \$25,000 per mile for that.

Mr. HAGGART. It is not contemplated to build from Smith's Falls to Ottawa, but to Montreal.

Mr. BLAKE. That would be how much.

Mr. HAGGART. \$25,000 per mile on 106 miles.

Mr. BLAKE.

Mr. BLAKE. That would be additional to the 400 miles.

Mr. HAGGART. No; it is included.

Mr. BLAKE. Then there is the rental by the lessors agreed to be paid to the Toronto, Grey and Bruce Railway; what is the amount of that?

Mr. HAGGART. It is on an average of about \$20,000 per mile.

Mr. BLAKE. At what rate?

Mr. HAGGART. Six per cent.

Mr. BLAKE. And what mileage?

Mr. HAGGART. About 80 miles.

Mr. BLAKE. No; it must be nearly 200 miles.

Mr. HAGGART. I have just been told that it is about 130 miles.

Mr. BLAKE. I think with all its branches it is much more than that, but I do not know. My hon. friend from Bruce says it is about 200 miles.

Mr. HAGGART. It is only 125 or 130 miles.

Mr. BLAKE. The Toronto, Grey and Bruce is a sort of a bifurcated line; it goes several ways. Is it all included?

Mr. HAGGART. Yes.

Mr. BLAKE. And the whole mileage is 130 miles?

Mr. HAGGART. So I understand. The lease is printed and shows the mileage.

Mr. BLAKE. Then there is the interest payable to the bondholders of the London Junction Railway. Will the hon. gentleman state what it all comes to?

Mr. HAGGART. The total amount, supposing the whole system is completed—

Mr. BLAKE. To the Detroit River?

Mr. HAGGART. No; to St. Thomas without the Detroit River branch. The total amount it is calculated to cost, if it is all completed, will be in the neighbourhood of \$18,000,000.

Mr. BLAKE. Does it include the capital of the Toronto, Grey and Bruce?

Mr. HAGGART. It includes the bridge, the Toronto, Grey and Bruce, the building of the road from Smith's Falls to Montreal, and the \$2,000,000.

Mr. BLAKE. About \$18,000,000?

Mr. HAGGART. Yes.

Mr. BLAKE. That is, \$16,000,000 bearing 5 per cent. and \$2,000,000 bearing 6 per cent?

Mr. HAGGART. Exactly.

On section 5,

Mr. BLAKE. Will the hon. gentleman state what the maximum charge under this clause would be?

Mr. HAGGART. \$12,000 per mile.

Mr. BLAKE. But the question is, what is the rate you are going to pay on the \$12,000?

Mr. HAGGART. Five per cent.

Mr. BLAKE. And what is the mileage?

Mr. HAGGART. Fifty-two miles are finished, and the rest is to be built—about 300 miles.

Mr. WILSON. I find that this Bill, as presented to the House, does not give sufficient security to the parties formerly interested, in granting aid to the Credit Valley Railway Company before its amalgamation with the Ontario and Quebec Railway Company, which is now amalgamated with the Canadian Pacific Railway Company. The Bill does not, in