

ment as the standard, a very considerable change was made, which reduced its maximum grade, which was formerly 116 feet, to about 90 feet, or a trifle less. The hon. gentleman, in order to give us one of those breathing spells, to which I referred before the adjournment, asked—and it certainly was very amusing—if the statement of the Secretary of State was a correct one, why the company applied to the Government for a loan, and said he could more readily understand the matter if the Government were applying to the company for a loan. I will retort on the hon. gentleman, and ask what objection there can be, after the dismal picture he has drawn with respect to the line, the land, the earnings, the grades, the curves and the prospects of business of this road. Certainly, after his dismal picture, there is as much propriety in asking him if there is any more objection to the road asking further assistance? The hon. gentleman, in the second part of his speech, referred to the proposed new arrangement, the resolutions before the Chair, and said, as near as I could understand him, that he was opposed to them because of certain objections. He said there was a reduction in the rate of interest from 5 to 4 per cent., which he complained of; and he said the arrangement would impair the security which we now hold. So far as this change from 5 to 4 per cent. is concerned, the hon. gentleman himself will admit, I presume, that the Government can afford to make the reduction without any, or, at most, a very trifling loss to the country. There is this much further to be said. This company comes to the country and says: We must have some modification of the terms established by the arrangement of last Session. We want such a change as will, in part, release the main line of our road, so that we can put a bond upon it, that a portion of that bond may be disposed of to the public. The object which we have in view in seeking to adopt these resolutions is to place the company in a position to obtain from the public the additional capital necessary to complete the undertaking in all its entirety and completeness, in accordance with their plans and desires. If we can, without a loss to the country, reduce the fixed charges, so as to enable the company to show that their earnings now are, or are soon likely to be, sufficient to meet their fixed charges, then we are in a position to give a value to the bond, and the company will be enabled to go into the market and secure the sale of that bond, which could not be done if we insisted on the rigorous terms and the rate per cent. of interest that would augment the fixed charges beyond what the company could show they could pay by their earnings. If we have in view the special object, without loss to the country, of changing the arrangement of last Session, so as to enable the company to obtain from the public the additional capital which all admit is necessary, then I say let us frame our present arrangement so as not to defeat the object we have in view; let us, if we can, do it without loss to the country, as we certainly can in this particular instance, and assist in convincing the public that the fixed charges of the road will not be beyond what may be considered to be the net earnings from its operation. Then, the hon. gentleman said this proposition would impair our security. What is our security under the Act of last Session? Our security is a statutory lien or mortgage. How could you dispose of it? You cannot sell it, or even foreclose it, until 1891. Suppose the railway company were not to move another shovel full of earth, I would ask members of the Opposition to state what course the Government could take in order to enforce the loan of last Session.

Mr. CAMERON (Huron). Take possession.

Mr. IVES. The hon. gentleman ought to be too good a lawyer to suppose that by our own act, by our own will and volition, without legal proceedings or taking steps to show we have a right, we could take possession, and take the road out of the hands of the contractors, until 1891, which is the

Mr. IVES.

time by which the contract has to be completed. I do not see very well how we could take the road out of their hands. That is the hon. gentleman's security, which, he says, is going to be impaired. What do we get instead of it? A marketable bond, something we can dispose of for what it is worth.

Mr. CAMERON (Huron). Hear, hear.

Mr. IVES. If you please, yes; and I trust it is worth more than par. I do not think that would please you. We get something which is marketable, something which can be disposed of and realised upon. The hon. gentleman, during the debate of last Session, when it was proposed to make the loan, argued, and it was what had most effect with the people, that while this was made as a loan it would eventually amount to a gift. The hon. gentleman said: "You will do with this company precisely what you have done with the Grand Trunk; you will waive the claim of the country in favor of somebody else's claim, and move it down in the scale of values, until it will be valueless, and it will thus become a gift." That was the argument of the hon. gentlemen on the Opposition benches. That cannot come, under the arrangement now proposed. Under the arrangement now proposed, that marketable commodity can be disposed of. The public may be asked to take this twenty millions, as well as the fifteen millions which is to be handed over to the company, and instead of this arrangement impairing the security, I undertake to say that it makes a better security, that at least it is as safe a security, and it puts it in a position where it may be realised on or disposed of. But the hon. gentleman says we are taking in partners to the extent of fifteen millions, and that in case of default by the company we would be obliged to buy up this fifteen millions dollars worth of bonds, and that that will be a needless expenditure. I cannot concur in that view. If there is a default there may be a foreclosure by a holder of any of these bonds; there may be a sale of the railway, but the Government will only have to take care of themselves, and will have no obligation to take care of the purchasers of those \$15,000,000 of bonds. More than that; in the case of default we would have embarked and interested in this enterprise capitalists to the extent of fifteen millions, who would be interested in preventing default, in assisting the Canadian Pacific Railway to carry out their obligations, and who, in case of default, would certainly not be a disadvantage to the Government of the country. Then, the hon. gentleman says that the 21,000,000 acres of land would be insufficient security for the ten millions of last years' loan, for which we do not take bonds, considering the present depreciated value of land, because, he says, the five millions of land grant bonds which the Government holds as security for the operation of the road, together with the \$1,123,500 of land grant bonds which are in the hands of the public, will stand before our claim of ten millions of dollars. I ask the hon. gentleman if those amounts do not stand before it now to the same extent as they will afterwards? Certainly they do; and it does not change the position at all in that respect. Even at 80 cents per acre, which is a less amount than the hon. gentleman has dared to mention even *sotto voce*, the land would be sufficient to redeem the whole three amounts he stated. In the third part of his speech the hon. gentleman attempted to show what the road will cost the country, in case of default, under the present arrangement. Of course, Sir, it is impossible for me, without seeing his voluminous statements presented in *Hansard*, to attempt a criticism of the tables and figures which he gave in the course of his speech this afternoon. It was impossible for me to take down those figures, or to grasp them during their delivery, and it will only be possible for some other gentleman who will look over those figures to attempt to answer them. One thing, however, struck me, in connection