

to more than the interest on the bonds as stated in the return brought down by the Government. But we have to bear in mind that at the present time we have to provide the sum of \$3,046,616 for two years of interest on bonds that we have guaranteed—I think that is on the bonds of the \$45,000,000 guarantee and the \$35,000,000 guarantee—therefore at the present time the company is not liable to pay the interest on those bonds. Further, the province of British Columbia has to provide the sum of \$1,467,890 on bonds guaranteed by that province for three years after the lines are in operation; therefore that reduces to that extent the actual amount that is put down as due by the railway, making \$4,514,507 altogether. From the statement made to the House by the hon. leader of the Government I was not quite clear whether it was going to be necessary for this Government to come to the assistance of the province of British Columbia and advance them the money to carry out that guarantee. We all know that as far as the province of British Columbia is concerned, the finances of that province, I am very sorry to have to say, are in a very unsatisfactory condition to-day; and if they have to turn around and find this amount of money in order to pay the interest on those guaranteed bonds I think it is going to place that province in a very awkward position at the present time; but it may possibly be that the Federal Government intends to come to the assistance of the province in that way. Therefore we are in this position: that the country, through the Government, will have to find, in addition to this loan of \$15,000,000, the sum of \$6,540,507 interest on guaranteed bonds, and there is still an amount of \$1,300,000 credit balance in the trust account of the Canadian Northern Ontario, and a further credit balance from the securities guaranteed by the Dominion two years ago, that is in 1914, of \$4,300,000, making a total of money still in the trust account of \$5,600,000. So that altogether the Canadian Northern to-day is obtaining from the Government and from the country a sum over \$25,000,000 for the purpose of paying interest on bond guarantees, and also for the purpose of liquidating pressing liabilities. The hon. gentleman, in discussing this question of the Canadian Northern, did not say anything as to how the Government was going to see that this money was carefully expended. I think it is most important in the interests of the country that the Government should keep

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very strict and careful control of the expenditure of every cent of this money; that they should know exactly where it is expended and what it is expended on; and further, that they should see that no further development is carried on by this railway company or any of its subsidiary companies until we know exactly what position the company is in. For instance, in British Columbia there are lines the bonds of which have been guaranteed, but very little work has been done under them, and I think the Government should see that no more development work is done at the present time until we know exactly where this company stands and how this money is being spent. The hon. gentleman gave us the figures with regard to the position of the Canadian Northern Railway and the Grand Trunk Pacific as to their earning power, and the amount that this represented per mile of the railway. Put in that way, I think it places the Canadian Northern Railway in a very much more favourable position than when we examine it from another point of view. The figures were given the other day in another place, when it was stated in regard to the Canadian Northern Railway, that the railroad system is carried in their balance sheet at over \$430,000,000, and the Canadian Pacific Railway, with all its equipment and all its additions, is shown only at the figure of \$503,000,000—a difference of \$73,000,000 as between the two lines. I think the hon. gentleman stated that the mileage of the Canadian Pacific railway was 12,000 and of the Canadian Northern railway some 9,000 miles, so that the difference of those 3,000 miles would be represented by the \$73,000,000, on that figuring. Then when we come to look we find a very large surplus revenue of the Canadian Pacific Railway which is available for paying the fixed charges on that road which last year were only \$10,000,000, while the charges of the Canadian Northern were \$15,000,000 per annum. That gives us some idea of the burden that the Canadian Northern Railway has to carry as compared with the other road. Then we have also to bear in mind that the Canadian Northern Railway is not in the same position as the Canadian Pacific Railway as far as its equipment and such matters are concerned. So that the position is not as favourable as one would like to see it in regard to the Canadian Northern Railway, and a matter that the Government has to take very carefully into consideration is as to how this money is