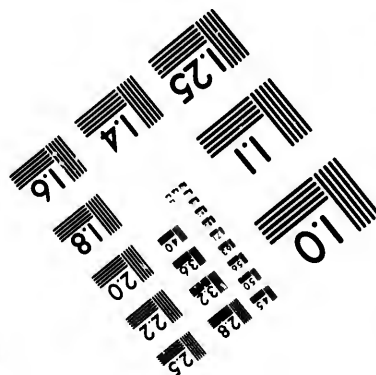
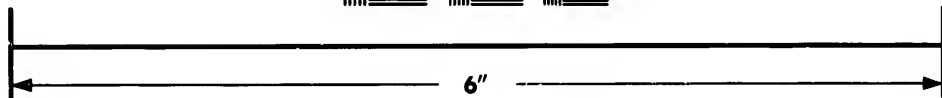
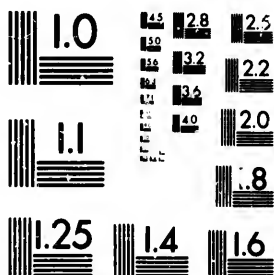


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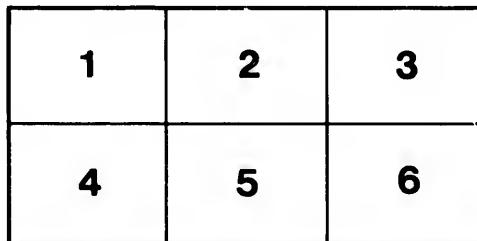
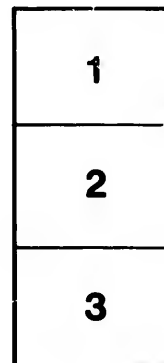
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# House of Commons Debates

FOURTH SESSION, FIFTH PARLIAMENT.—49 VIC.

SPEECH OF HON. E. BLAKE, M.P.,

ON THE

CANADIAN PACIFIC RAILWAY RESOLUTION.

OTTAWA, APRIL 29TH 1886,

Mr. BLAKE. Mr. Speaker, I am sorry that these proposals should have been laid before the House, but I cannot say I am surprised, for I never believed that the loan which the Government invited us to contribute to the Canadian Pacific Railway would be paid in full. I feared that their promises, which they made in 1884, would be broken. I suspected that preparations were being made for the breaking of them in 1885; and my fears of 1884 and my suspicions of 1885 are realized to-night in 1886. What is the nature of the proposals before us? The Canadian Pacific Railway Company's shareholders have paid into that company \$29,500,000 for their stock. At the recent prices of that stock, prices which prevailed within a short period, though they may not be the prices of the moment, it was worth in the market about \$43,500,000. That is an advance of \$13,000,000 or 44 per cent. upon the average price which the company themselves realised for the stock. Thus, for each \$100 which the shareholders paid into the company they can get on the market \$144 at recent prices, and in addition they have received very large dividends upon their investment, from the time that investment was made up to the present time. That is the financial position of the company's stockholders in whose favor we are asked to make this arrangement to-day. Only two years ago we loaned that company an enormous sum of money, about \$30,000,000, the greater proportion of which was practically loaned them in order to secure their own dividends. That was the purpose of more than half the loan. They were to repay us this money, both that which was to secure their dividends and that which was to be used in the work, with interest at 5 per cent. That was the bargain of two years ago. And now we are asked to give up our claim to the repayment of ten millions of this money, to add ten millions to our net debt, to add over \$400,000 a year to our

interest charge in order to relieve these shareholders from the payment of that \$400,000 a year, with which they are overburdened, although under the less advantageous arrangement of 1885, operated in a manner inferior to that under the original arrangements. It is proposed in effect to add \$400,000 to the profits of the shareholders of that company, and the taxpayers of Canada are asked to accomplish this result. The company in the announcement they made on the recent issue of the balance of the \$35,000,000 of their debenture debt, declared that notwithstanding the disadvantages under which they labored through the non-completion of the system, they have earned a net profit over the fixed charges of \$100,000 last year. The fixed charges include the payment of interest, include the interest on the Government debt, and therefore it is proposed to add \$400,000 to the sum of the net profits already realised by the company. Now, it is to be remembered that the company and the Government declared that the discontinuance, the non-completion of the system is a great obstacle to the creation of more profits. I know they told us other stories in former times, but of late years this has been their story, and they say that on its completion it will become an immediately profitable enterprise. The First Minister declared, in his place in Parliament, that the ends of the road would be the most profitable, that that had been demonstrated, and therefore it is an enterprise of this description which is to make such vast profits, which is now on the eve of completion—sometimes we are told it is finished, sometimes that it is just about finished, and sometimes hon. gentlemen tell us, when occasion requires, that it will cost a great deal more to finish it, and that we must enlarge the capital account for that purpose—but just about finished, we will say, and therefore ready to enter on its career of large profits; it is with refer-

ence to that enterprise that the taxpayers of Canada are invited to contribute \$400,000 to add to their profits and to make us that much poorer. Now, I should have been glad, if I could at all possibly consistently with the truth, to find myself able to acknowledge to-night that in the forecasts which the Government has made from time to time, when they were inviting this House to enter on the Canadian Pacific Railway policy, in the forecasts they made as to the results of that policy—with reference to the railway itself, with reference to the North-West immigration, with reference to North-West settlement, with reference to the North-West lands, with reference to the loans and advances which were made to the company—I say I should be delighted if I were able, consistently with the truth, to acknowledge that the forecast of hon. gentlemen had been accurate and that my own more gloomy views had turned out to be incorrect. I am not able to acknowledge that, and I can hardly be called on to acknowledge it, when I heard the Finance Minister make a moment ago such a complete travesty of what some of those expectations were, when he declared the modest views of what the expectations of the Government were in incurring this expenditure—that they hoped in some indirect way to obtain something equivalent to the interest of 4 per cent. on \$30,000,000—I shall have to point out, in view of that declaration, what the expectations of the Government really were, what their pledges to Parliament really were, what they stated was to be the result of the policy of which we are discussing another phase and another development to-night. In considering that subject, I wish to point out first of all that the Ministers pledged themselves most absolutely to the finality of the obligations under the Canadian Pacific Railway contract, and arrangements which they proposed to us; secondly, that they promised us as the result of the active Canadian Pacific Railway policy which they proposed in the spring of 1880, and enlarged in the winter of 1880–81, enormous advantages from the rapid construction of the road through the great development by immigration to the North-West, and the introduction in great numbers from the old world of new taxpayers into our North-West dominions; next, that they declared that the Canadian Pacific Railway policy which they proposed to us would result in the very rapid sale of the Crown lands; so that every cent of our expenditure in connection with the Canadian Pacific Railway, with the interest, would be paid to us out of the sales of those lands, and no burden would be imposed on the country at all; next, that they declared that the railway company would itself build branches all over the North-West with a view to utilising its land grant, and that as a result of the subsidy in land and money, which we gave in the year 1881, we would secure not merely the construction of the main line but also the construction, free of cost to us, whether in land or in money, of the branches and feeders which were admitted then, as they are admitted now, to be absolutely essential to the development of the North-West; next, that they declared that the railway company was going to do the immigration work which otherwise we would have to do, and so that a large saving of expense would be obtained by the Government; and further, that the monopoly which they proposed would not affect—could not affect—Manitoba, and would not injuriously affect the other Territories; and lastly, that they would secure—and they professed they had secured—arrangements for fair play and free competition between the different eastern portions of the Dominion, notably the Province of Ontario and the Province of Quebec, by the conditions which they imposed on the Canadian Pacific Railway as to the rates of freight to the neutral point, Callander, as between the roads constructed or projected in the Province of Ontario and the Province of Quebec. Now, Sir, on all these points the forecasts and pledges of hon. gentlemen have been falsified

by events. First of all, as to the finality of the bargain. You recollect that the subventions which we were asked to give in the year 1881, were then denominated by the Minister as large, ample, liberal, and the hon. gentleman who now leads the House specially declared that they were so of set purpose, in order to avoid what might otherwise happen—the company coming to us again Session after Session for further aids. They said we want at once to make this final, to get the business ended by giving large and liberal subventions at first so that there may be no further demands upon Parliament. What they said I wanted, was, that the subventions should be so pared down that the Government would come and say, we did not give them enough and we must give them more. In 1884, having made in 1881 these final arrangements, the element of finality having been so specially dwelt upon by the then Minister of Railways (Sir Charles Tupper) by the First Minister, by the Minister of Public Works, as the great joy of the occasion, as the thing upon which we should congratulate ourselves in 1881, in 1884, they came to us and asked us to lend \$30,000,000 to make the final agreement finally final. We were told then that it was a profitable 5 per cent. investment. If I recollect aright, the present Minister of the Interior pointed out that there was really a gain to be made, that it was a prudent investment; we were borrowing money at 1 per cent. and were going to lend it to the railway company at 5 per cent.; and yet the hon. gentleman to-night talked about this being a losing transaction! And as to there being any risk of the principal and interest at 5 per cent. not being repaid to us, the idea was scouted by the Government and their supporters. It was calculated that we were going to get back our principal and our interest at 5 per cent., and so make a very good thing out of this loan. We were also told that this loan was to provide ample funds; that the road was being built a little faster than originally intended; but it was obvious that there would be a severe competition between this and other transcontinental highways, notably the Northern Pacific; and it was necessary that we should have a first-class outfit for our road in order that it might compete on good terms; and so we were to lend the money necessary—a good investment, sure to be returned with 5 per cent.—to put the road in a first-class position; and the arrangement was to be finally final. We were also asked during the same Session, and partly in a previous Session, to engage for about \$12,000,000 more in connection with the completion of the work, in accordance with the enlarged ideas—in connection with the settlement with British Columbia in the west, and in connection with the arrangements for finding an Atlantic port, and, also, for the relief of the Province of Quebec from its contribution towards the extension into that Province. We were told that all these arrangements were ample for these purposes, and the finally final arrangement was finally final for just one year. For, in the year 1885, we were asked to add some millions more to these eastern engagements, because they were found inadequate. We were also asked to lower the rate of interest on the loan from 5 per cent. to 4 per cent. The somewhat hard-headed and close-handed views of hon. gentlemen when they were persuading us to lend the \$30,000,000, had changed in the course of twelve short months, and it was thought rather a mean thing to ask the railway company for 5 per cent. They forgot that it was they who were mean, for it was they who had made the bargain; but they thought that the Dominion of Canada ought to be above asking more than 4 per cent., as we were told that was all that the money cost us; though now we hear the Minister of Finance saying that we are paying commissions when we borrow the money, and paying commissions when we pay the interest and when we get the loan back, so that the money is costing us more than 4 per cent., and it is really paying us to get back the loan. It

is really difficult to follow the hon. gentleman's calculations, and derive any particular result from the calculations of more than one occasion. We were also asked at that time, in 1885, to enlarge the borrowing powers of the company to a considerable extent. We were told that further demands were made upon the company's resources, with the view of making the complete equipment, and the admirable road, more complete and more admirable still; and a sum of \$15,000,000 more was wanted. We re-adjusted the security system of the company, with the view of enabling it to get from the public \$15,000,000 more money, which it did get, in order that its equipment might be made ample, and its construction perfect. We were also then asked to impair our securities on which the interest had been lowered to 4 per cent.—to impair them as to the bulk and as to the \$10,000,000, roundly speaking, which it is now proposed to adjust by these resolutions. So that our position was that the arrangement which was final in the year 1881, and which was made finally final in the year 1884, was proposed to be altered again in order that it might be made finally finally final in the year 1885 in those various matters. But there was one thing, Sir, that we were not asked to do; we were not asked to buy back our own land grant in order to supply the company with further resources. Parliament was not asked to do that; the company asked the Government to do it, but the Government—as I thought then and said, and as I think now, though they have changed their minds—wisely declined. They declined the proposal made to them by the company that they should take back a portion of the land grant, and release a portion of this obligation. They declared that they would not ask Parliament to agree to these terms; they declared they would still insist on the debt being continued and being paid; but they professed to be anxious that it should be secured on the remaining land grant of the company, being far the largest proportion of its 21,500,000 acres, subject to a comparatively small portion of outstanding bonds—because for this purpose I may set aside the 5,000,000 of bonds held as security for operation—I say that the 21,500,000 acres were referred to us as good security for the \$10,000,000 upon which it was to be placed. We pointed out the inconveniences of this arrangement. The hon. gentleman is painfully alive to those inconveniences to-night. He has urged how inconvenient the situation is. He says, here we are, we have not had any interest since the 1st of July last; we cannot get it; the lands have not produced it. We told him last Session they would not, but he did not believe it then. He says it is rather awkward for us to force a sale of lands—it would depreciate the price of the other Dominion lands if we do. We told him last Session that this would be his situation, but he did not believe it then, and he comes to us to-night saying, I have made such a bad arrangement, contrary to your advice last Session, that now, to get out of this hobble, we must buy back some of the lands absolutely and give up the debt *pro tanto*. This is a more rapid step in the direction of the result which was predicted last Session than a good many people expected. We were not asked to do this then, but we are asked to do it now. We were told then that this arrangement of 1885 would provide ample funds for every purpose—that the company would be free to accomplish the great and enlarged objects which had been set before the country by the Government and the company as to be accomplished by means of the new arrangement. Now, in the year 1885, we are told that that again is a mistake, and that further large sums are required by the company, and that it is necessary to give them further relief in order that those sums may be obtained and those results attained. We are asked by the Government now to do what the Government refused to submit to us for our approval or consideration last year. The company then made this proposal to them, but they would not even bring it down, because they said they did not intend to

agree to it. They waited until they could make other terms with the company, and those other terms they brought down. Now, the terms are that this \$10,000,000 is to be added to our net debt, that this \$400,000 a year is to be added to our interest charge, and that the capital account of the company is to be swollen by an indefinite number of millions more, to be borrowed, in order to make the bargain finally, finally, finally final until the next year or the year after. So much for the pledge of finality; so much for the assurances given to us in the year 1881 that the matter was satisfactorily gone and done with by the arrangement for \$25,000,000 and 25,000,000 acres of land. Then, with reference to the predictions and pledges of the Government, as to the result of their rapid Canadian Pacific Railway policy on the increase of population in the North-West, a vital subject to us in more ways than one—a vital subject to us with reference to the making of this nation; a vital subject to us with reference to the financial strength of this people; a vital subject to us with reference to the cost and outcome of the undertaking into which we launched, upon the faith of these predictions, which have been so woefully falsified—the First Minister, in the earlier part of 1880, promised, as a result of the land and Canadian Pacific Railway policy which was then brought down, a great immigration. He went into detailed figures and calculations, which he declared were most moderate and the result of which could be relied upon, as the outcome of the policy on which he was going to embark. The official figures, up to the year 1879 allowing the estimates which I have made of 4,000 for the North-West Territory population in the year 1870, and of 1,000 for the immigration into the whole North-West, including Manitoba, in 1870, for which two points there are no official figures—allowing 5,000 for these two, and adding them to the official figures, the population of the country would stand at 53,500 in 1879, apart from the natural increase. The First Minister promised us an immigration of 245,000 between 1879 and 1885, to which add the estimate for natural increase from the earlier period up to 1885, say 15,000, and you get a total population, exclusive of Indians, in 1885, of 313,500, composed of these three elements: the first is the official figures up to the year in which the Minister made his statement, adding only 5,000 for the two items I have mentioned; the second element is the Minister's figure of population for the six years following; the third element is the natural increase. Now, he declared that to these figures there would be added by immigration, from 1885 to 1890, 325,000, to which, if you add for natural increase on the whole, 44,000, you would get as a result a population in 1890 of 680,000. Sir Charles Tupper declared that no intelligent man could doubt the accuracy of this statement; hon. gentlemen opposite swallowed it, and they acted upon that view. The Minister based these figures of his upon the results in some of the Western States, and he cited the statistics in Minnesota, Kansas, and in several other States in which he declared the rate of progress had been most remarkable, and he stated that we would achieve in the various years for which he gave his figures similar results. In answer to these statements I pointed out what the rate and the resources of increase in the Western Territories and States of the United States had been. I pointed out the case of a group of twelve of these States and Territories, the acreage of which was 634,000,000, and showed that they had a population in 1860 of 5,600,000; in 1870 of 8,640,000, making an increase of 3,040,000 on the population of 1860. Of that population which was there in 1870, there were born in that group no less than 4,390,000 or 50 per cent.; there were born in other portions of the United States 2,500,000 or over 29 per cent., and there were foreign born 1,750,000 or 20½ per cent. There were thus, as I have shown, three great sources of increase which had produced the results to which the First Minister



appealed as the basis of his calculation; first, the natural rapid increase in a fertile and sparsely settled country, while we, in our case, had at that time no substantial nucleus from which to produce a natural rapid increase; secondly, the great immigration from the Eastern to the Western States, while we had only one-fourth in round figures of their reserve store of settled population from which a surplus might be expected to flow—in round figures we stood 4,000,000 to about 40,000,000; third, the enormous foreign immigration to the States, in part direct to the western districts and in large part to the east, having however the very important result of setting free the flow of emigration from the east to the west of the native population of the States. As to this last source I pointed out that we, for several reasons, largely political, could not hope, early or largely, to divert the current of immigration either of Europeans generally or Irish Catholics specially from the United States, so long as those States had, as at that time they still continued to have, very considerable reserves of cheap and fertile lands. Now, the general census for the States for the later decennial period was not then available, and both sides had to resort to the States' censuses in the west for information as to that period. I referred myself to two States to which hon. gentlemen had referred, and upon which they had relied as showing marks of the greatest progress and prosperity; the States of Kansas and Nebraska. I showed what their progress to 1879 had been, and that, remarkable as that progress unquestionably was, it did not furnish a ground for the estimates of hon. gentlemen as applied to our condition. Well, a few months passed over from the period of these estimates of the Government, and they then brought down an altered Canadian Pacific Railway policy, under which the work was to be done, partly by the company, partly by the Government, and in a still much shorter time, taken as whole, than was proposed in the early part of 1880. They declared that the altered policy, with the stimulus to be produced by the more rapid execution of the work, and by the great efforts and expenditure of the company, which they were to make in the immigration field, would have the effect of largely accelerating the settlement of the North-West beyond their former expectations; that it would tend further to brighten the prospects, so bright already, which they had set before us a few months previous. Then, in 1883 or 1884, it was arranged that the work should be still further accelerated, that is, it should be finished in five years from that time; and the Minister once again declared, and the Minister of Finance again reiterated, that this acceleration of the work would still further benefit Canada. The declaration was that it should increase the volume and quicken the flow of immigration, and every effort was made by hon. gentlemen to verify these predictions. The declarations which they made were of the strongest character, and they announced some time afterwards that the facts were going to be as good or better than they had stated they would be. Now, even during the years which had even preceded this acceleration, the year 1881, and particularly the years 1882 and 1883, the Ministers were declaring that these predictions to which I have referred were fulfilled and more than fulfilled, that they had been better than their word. They were booming the North-West to the utmost of their power. They regret the boom now; they sometimes say it did a great deal of harm; they speak of that regrettable inflation, the unfortunate results which have happened, and so forth; but they did all they could to produce it, and they are mainly responsible for its production and for the disastrous results which have flowed from it. They gave official figures of these alleged results of theirs. The official returns of the actual immigration to the North West, carrying on the official figures from the year 1879, which I gave a while ago, would give, for the immigration to that country, up to the

year 1885, 237,000 souls, to which, if you add 13,000 for natural increase, you will get a total of 250,000 as those who ought to be in the territory in the year 1885, always excluding the Indians. Now, I am not speaking—it is as well it should be understood—of the estimates of the hon. Minister now the Minister of Railways. We know what his estimates were. Why, I recollect one time when he told us—I forget the figures exactly, but something equivalent to about twice the whole immigration which has taken place from foreign parts, apart from the Irish immigration, as that which he expected in one season.

Mr. POPE. I only spoke of one season, and we got them.

Mr. BLAKE. No; I asked him on several occasions what the expected immigration was to be; and he gave that. But I am not speaking of the estimates. I am speaking of the official declarations as to the immigrants that actually came in, and it is by these declarations I am proposing now to judge the situation; and by these, taking up to the year 1879, the figures to which I have referred, you find that we ought to have had 230,000 souls in the North-West in the year 1885. These official returns gave us for the year 1881, in round numbers, 22,000; for 1882, 50,800; for 1883, 42,800; and for 1884, 24,400—or a total of 148,000 immigrant settlers into that country in four consecutive years, more than every white soul that is there to-day. I do not believe that there are many more than 125,000 whites in Manitoba and the North-West Territories at this time, only about two out of five of the results of the First Minister's statement of what ought to be there, only about one out of two of the Minister's statements of those who actually did settle there. Now, what has become of them? Where are they? Did they ever go in, or, if they did go in, where are they gone to? Because we find the official figures which indicate to us that they went in, and I am quite convinced they are not to be found there now. But still more, of those settlers, when the calculations were presented to us of the accession of strength and wealth to Canada, the representation was that the great bulk would be from abroad. It was foreign immigration and immigration from the British Isles to the North-West which we were to count upon mainly. In those early years, little, indeed hardly anything was said of immigration from one part of Canada to the other. But, when you look at results, you find under the territorial census over 80 per cent. of the white settlers are Canadian born, and less than 40 per cent. came from abroad; and of those who came from abroad, a considerable proportion may have been, some I believe were, persons who, although they did come from abroad, had been settlers in the older parts of Canada before they went to the North-West. On the same ratio, which is perhaps too favorable, there would be only about 50,000 immigrants from abroad—from the States, from the British Isles, from the continent of Europe, from abroad, in a word foreign-born—out of the whole immigration into that country. Now, that is the result. We were abused for suggesting that these estimates and these official returns did not represent, in the first case the probability, in the second case the actual fact. We were told that we were degrading the country; we were told that we were underestimating the prospects and the results, in order to produce evil effects; but to-day you find the situation altogether changed; to-day you find the principal organ of the Government discussing this very question in very different language. In the *Mail* newspaper of the 6th of this month is an article upon the North-West, from which I quote an extract or two:

"We have repeated boom estimates and quoted boomsters' figures"—

Who made the boom estimates, and whose were the boomsters' figures?

"We have repeated boom estimates and quoted boomsters' figures about everything until we have created in our minds the vision of a region which does not exist anywhere on earth; and now that it has been shattered by the prosaic revelations of the census, we are weak enough to feel sorry at being undeceived."

Again:

"The truth is that, all things considered, the population of Manitoba and the Territories is quite as large, placing it at 125,000 whites, as we had any right to expect it to be. It must be remembered that in all the new regions in the United States, the large part of the population is American born, hailing from the older States. There is no exception to this rule. In Dakota, for example, according to the special census taken in that territory last June, 269,700 settlers, out of a total of 415,000, 75 per cent. were native Americans, leaving only 35 per cent., or 145,000, to the credit of immigration. The same strange ethnic process is at work in our Territories, for by the census just taken it appears that of a white population of 23,000, no fewer than 14,200, or a little over 60 per cent. are of Canadian origin. But if we must assume, in accordance with this law, that the greater part of the future population of the North-West is to consist of the overflow from the older Provinces, then it is evident that the increase in population is sure to be slow as compared with the increase in the newer regions across the line, since our reservoir of population is but a tenth as large as theirs. Moreover, it is well known that those immigrants who, next to the native-born settlers, have helped to develop Dakota and Minnesota, viz., the Scandinavians and Germans, are not to be procured for our North-West just now. They avoid our Territory because they do not approve of our political institutions. This is an unpalatable truth, but there it is, and we must take account of it. The activity tables of the foreign-born population in Dakota have not yet been compiled in detail, but the Swedes and Norwegians rank first in number, and the Germans are well up the list, being practically cut off from German and Scandinavian immigration, and having, as compared with the Americans, but a small overflow from native sources, it is manifestly absurd to expect any tremendous rate of development in our North-West just at present. Our time will come when the homestead lands in the United States are exhausted."

The article then proceeds to point out the last report of the Commissioner at Washington, showing that these reserves have shrunk to comparatively small proportions, and, after a quotation of that kind, the article proceeds:

"In the course of a few years Dakota will be out of the field. The immigration bureau of that territory says, in one of its monthly publications (that for February), that at the end of 1885 the area of vacant Government land, rated as agricultural land and open to settlement, was estimated at 20,000,000 acres, of which 18,000,000 lay in northern Dakota. For the six months ending 31st December, the area of land entered on or filed was 1,524,000 acres—say 3,000,000 a year. At this rate the vacant land will be pretty well exhausted in seven years, and a most formidable competitor to Manitoba and the Territories disposed of. Canada may then surely reckon on an immigration from the continent of Europe, provided efforts are made beforehand to make the people acquainted with the wealth of our resources. Meanwhile we probably need not look for any miraculous development of the North-West. There will be a steady influx of settlers from the United Kingdom, with a sprinkling from the continent of Europe; but the main stream of immigration will doubtless consist of young Canadians who, but for our enterprise in opening up this great region, would find their way to the United States, where so many thousands of our people settled in the days when we had no free prairie homesteads to offer."

That is the present view of those who thought we were going to have this enormous immigration from across the seas into the North-West in the last few years, and in the few years which are to expire before 1891. Now, Sir, I think it very plain that in these respects upon which the country was asked to embark on a scheme of rapid construction and enormous expenditure, with the promise of immediate and tangible results of the most valuable character, events have already shown how false were the predictions and how untrustworthy the guides who led the country into this enterprise after this fashion. Now, then let me take the next point: it is the promise that our lands would be settled fast, and that out of them every cent of our Canadian Pacific Railway obligations and interest would be met. I do not go back before the year 1880; it is not necessary to advert to the older statements. In 1880 the First Minister used these words:

"For the purpose of relieving the people of Canada from the burden of taxation, which the work would otherwise entail, we have offered every second lot at an upset price, so that the road may be eventually built without costing the people one single farthing which will not be recouped. I believe that land can be made productive under the terms of the resolution to complete the whole of that road, to open that immense country, and give us a magnificent railway from sea to sea, without adding to the burdens of the people or without causing any neces-

sity for an increase of taxation. We can do it all by the sale of the lands which we hold as a sacred trust for the purpose of defraying the whole expense of the construction of the Canadian Pacific Railway."

Again he says:

"As the road progresses, the annual sale of lands will be more than sufficient to meet all possible cost of the railway."

Again:

"The proceeds of the sale of the lands will meet our engagements as the work progresses, including claims for interest."

The hon. member for Cardwell (Mr. White), in an amendment to the motion of the hon. member for North Norfolk (Mr. Charlton), in the same Session, moved, and the House resolved, at his instance:

"That the policy of the Government for the disposal of the public land in Manitoba and the North-West, is well calculated to promote the rapid settlement of that region, and to raise the moneys required for the construction of the Canadian Pacific Railway without further burdening the people, and that it deserves the support and approval of this House."

Well, Sir, in the same Session the First Minister declared that we would sell, from 1880 to 1885 inclusive, 28,000 pre-emptions, and for the year 1885, 6,250; that we would make other sales, from 1880 to 1885, 14,000 in number and in the year 1885, 3,125 in number. The results have been: Pre-emptions from 1880 to 1885, 15,275, of which I am afraid a great many will be cancelled or abandoned, instead of 28,000; and for the year 1885, 663 instead of 6,250. There were sales from 1880 to 1885, 9,634, instead of 14,000; and for the year 1885, 785 instead of 3,125. He estimated in the years 1885 to 1889, 40,625 pre-emptions and 20,313 sales. What are the estimates to-day, I wonder? We have settled just 138 homesteaders up to the 31st December, on 400 miles of the forty-eight mile belt of the Canadian Pacific Railway. In the same year, 1880, the First Minister estimated the cash proceeds of the lands actually to be received from that year to 1890 inclusive, at \$38,600,000. The amount which was to be then due but not payable, but still a mortgage on the lands, and as good as cash, bearing interest, was to be \$32,700,000, or an aggregate of received and due of \$71,300,000. He estimated the cost of survey and the administration of those lands at \$2,400,000, and he brought down a handsome balance of not results of \$68,900,000 before the year 1890. In reply to that estimate I pointed out that the group of Western States to which I referred had, in 1850, taken up per head of the population twelve and one-half acres, and had improved per head of the population five acres; that in 1860 they had taken up per head of the population twelve acres, and had improved six and one-third acres; that in 1870 they had taken up per head of the population ten and one-half acres, and had improved six and one-half acres. Well, the Minister calculated upon an immigration of 550,000, taking up no less than fifty-nine acres per head; and Sir Charles Tupper, somewhat later, calculated that 100,000 farmers in the North-West would produce 640,000,000 bushels of wheat in one year. You may combine these calculations and you find, Sir, the first Minister calculated that the taking up of land would be in the proportion of fifty-nine acres per soul of the population, and the Minister of Railways declared that 100,000 families would produce 640,000,000 bushels of wheat, and you see by what follies the people of this country have been gulled into the position in which they are placed to-day. I admitted, Sir, that it was probable that a very considerably larger area per head would be taken up in the North-West, under our land regulations and with reference to modern methods of cultivation, than in the earlier period in the Western States, but I declared then, and I repeat the statement now, that the suggestion of fifty-nine acres per head was, and is nothing less than ridiculous. You find to-day the Minister in charge of the Department saying that there is a very strong opinion amongst the population that 160 acres is as much as a

man ought to have—as the average farmer ought to have—and still the hon. gentleman proposed at that early date that about sixty acres per head of the population, or, if you count five to a family, 300 acres per head, was about the calculation for all, including those who lived in towns and villages—merchants, mechanics, farm servants—the whole population. Then, again, as to the proceeds of the sales, I pointed out that the United States, in the eighty-three years preceding 1879, had received, gross, \$204,500,000 from their public lands, or \$2,460,000 a year; that in the twenty years before 1879, they had received \$30,350,000; or for eleven years, about \$16,500,000, while we were told to expect a receipt of \$38,500,000 in cash in eleven years, and \$32,700,000 as good as gold, in mortgages upon the land. I declared then that these calculations were wholly visionary, and I begged the House not to enter into large engagements upon such calculations. A few months later came the bargain with the Canadian Pacific Railway, and the Government then promised that the sales of land would recoup all our expenditure, and they persuaded the House and the country to agree to the bargain upon that specific pledge. Well, Sir, we then declared that that pledge would be broken; we declared that the country would not be recouped out of those lands for the money which it was expending, and was called upon to expend. You have, to day, the statement of the Finance Minister, from which you can judge whether our forecasts or those of gentlemen opposite were the more correct. We asked the House to adopt the policy of proceeding as rapidly as required, even in advance of the demands of settlement, in the development of the railway facilities for the North West, but to keep down the unnecessary cost of very rapid construction of portions of the road not then urgently needed, and not to plunge into this enormous expenditure upon fallacious estimates. The delusions upon which hon. gentlemen opposite invited the House and the country to agree to their policy were kept up by them for years. I need not quote their utterances during the year 1881 because I shall show you, Mr. Speaker, that all along after that, and to within a very short space of time, those utterances were repeated and re-affirmed by Ministers. On 10th February, 1882, the First Minister made this statement:

"We have not forgotten the promise made by the Government that they would make the land in that country recoup to the Dominion the \$25,000,000 that we have promised the Syndicate, and what the Dominion has already spent, or is expending, on the Canadian Pacific Railway. There is no reason in the world, as I have urged again and again, why the people of the older Provinces should put their hands in their pockets and settle that country and improve it, and build railways at their expense. That country, which is going to reap the advantage of those railways, should provide the cost of the improvements, and the North-West, I am happy to say, is so rich, and will be so sought for, that what was a reasonable proposition at the beginning is now a certainty, namely, that it will be able to sell sufficient land, that while preserving the homesteading right, it would be able to repay to those who have contributed to the taxes necessary in connection with building the road the money with interest added."

The Finance Minister to-night has talked about our reaping some indirect advantage equal to 4 per cent. on \$50,000,000 or \$2,000,000 a year. He was careful to repeat the word "indirect," and he proceeded with a sort of hocus pocus calculation, which I would have been better pleased had he used before he was Finance Minister than which he occupies that position, that we had received that return from the accelerated rapidity of construction and the earlier period at which the money was spent. That was not the promise made to us—not that which the Finance Minister has stated to us in terms which I think will become historical. But the promise was that we would get out of the land in hard cash the money we were contributing to the company and putting into the road, with interest added thereto. And that was the promise as late as 1882—not merely the promise, but we had the allegation that that which had been a promise and a pledge in 1880 had become a certainty in 1882. Well,

then, on 2nd April, 1882, not the 1st, the First Minister said this:

"It was the policy of the Government that that country should eventually pay for its own railway."

Again:

"75,000,000 acres are to be sold—they are not to be sold for homestead purposes—for the purpose of relieving the people of the older Provinces who, on the faith of this assurance and promise—and on this promise only—accepted the burden, and have at the polls recorded their sanction of this policy. They endorsed this policy on the understanding that, eventually, that country would pay the whole of the expense."

There I have the statement of the hon. gentleman that it was upon the promise that we were to be recouped in cash out of the lands that Parliament, and afterwards the people, accepted the bargain and endorsed the policy—on that promise and on that promise only. Who is bold enough to declare now that that promise has not been broken?—that policy which the people they confess endorsed on the understanding that eventually the country would pay the whole of the expense? Again:

"It is safe, it is certainly beyond the possibility of doubt to say that every farthing and every cent and every dollar that has been or will be expended in building the Canadian Pacific Railway, not one shilling of this burden will fall on our shoulders, or on the shoulders of the generation that will succeed us. We will be free from the whole amount of that debt."

Again:

"\$750,000 was paid in in one day from the recent sales—this is a very substantial commencement of the fund which is to pay off the \$25,000,000. It will be put to the credit of the fund and invested at interest for the purpose of paying off the whole of this \$25,000,000."

Now, perhaps, the hon. Finance Minister knows, what he did not know when he made his late Budget speech, and when he told us he was ignorant why Sir Leonard Tilley, his predecessor, had actually put those moneys received from the lands to a sort of separate capital account. That is how the matter stood; the Minister of Finance, however, thought he did not suppose it would be of much consequence as the Government then had a surplus, but now times have changed and the amount, although very small, makes a difference, and the hon. gentleman is going to put it to revenue. I point out to him that, in a light and easy way, he is brushing away a promise, a pledge and engagement, that the money would be placed to capital account and invested at interest, and used to repay the debt. Again:

"By this year then there will be 10,000,000 acres granted to colonization companies under plan No. 1, which means the eventual payment of \$10,000,000 into the Treasury."

And again:

"That will be \$10,000,000, and with the sales that will take place of railway lands in other portions, we will have, either in money, or in what is as good as money, solid mortgages on every one of these colonization tracts an amount equal to \$12,500,000; so that in one year we may fairly say we have got half of the whole, \$25,000,000."

Where is it now? Then on 12th April, 1882, Sir Charles Tupper said:

"The lands have so increased in value as to warrant us in the statement, and to warrant the conviction in the mind of every intelligent man, that at an early date we will not only have the \$25,000,000 recouped to the Treasury, but we will go on; and if we have not wiped out our other responsibilities we will soon be in a condition to wipe out the engagements thrown upon us by the late Government, as well as those incurred by our own in reference to the work."

I think I have shown the House what the situation was in 1882. Let me now come to 1883. In that year Sir Charles Tupper declared that our secured receipts from transactions already effected in the three previous years, 1880, '81 and '82, would be by 1-85 a trifle over \$10,000,000, apart from all new transactions such as railway grants and further sales; they were actual receipts to come in by the year 1885 from the transactions already accomplished in 1880-81-82. That period has now expired. We declared, on those

occasions, that the general result would be that the country would not realise, out of North-West lands, anything appreciable in excess of the cost of the administration, having regard to certain charges which were properly charges upon that administration, charges for police, for Indians, for immigration and for local government; and that if you omitted all those, and took only what the Government called charges of administration, there would not be very much to go towards interest on what we would borrow, and nothing whatever towards the principal. That was the declaration we made. The hon. gentleman declared to the House and the people that those enormous sums would be realised, and would go to a reduction of the principal, and that the interest would be paid also. Which has turned out correct? What are the actual receipts from all sources, not for the transactions of 1880-81-82, but all receipts from 1880 to 1886. The receipts were \$4,052,000, and the expenditures for surveys and land officers and that class of expenditure, was \$3,320,000, leaving a balance of \$732,000. From this you have, in my view, still to deduct certain charges. For example, I estimate that at least one-half of the cost of the Department of the Interior under the old system, before the hon. gentleman enlarged it, is fairly to be chargeable to the land branch of that Department. Of course the Indian branch is a separate branch, and I am speaking of the Interior by itself. Now, half the cost of the Interior under the old scale for the last six years would give you \$133,000, and then I take the whole excessive cost of the Interior, beyond the cost in the old time, the cost of the hon. gentleman's policy, as attributable to the lands, and that is \$225,000 more in the six years, making an aggregate of \$338,000, leaving, as a net result, \$374,000, without saying a word about the Indians, about immigration, about mounted police, about local government, or any of those charges. So you may practically say that there has been nothing net out of the lands of the North-West for these years during which hon. gentlemen declared so large a sum would be realised as to recoup us *pro tanto* for the expenditure on the Canadian Pacific Railway. And this is not an increasing ratio; it included the boom, the speculative period, the period in which they sold in a day to speculators large quantities of land, in which they realised from colonisation companies a considerable sum, the colonisation bubble, the speculative bubble, the town site bubble. Of late years there has been a positive loss, and you can judge that from a statement of the annual receipts. In 1880 the gross receipts were \$155,000; in 1881, \$164,000; in 1882, \$1,727,000; in 1883, \$928,000; in 1884, \$788,000; and in 1885, \$288,000; so that our over expenditure last year was over \$223,000, apart from the cost of the land part of the Interior Department, which would show, if you added it, a total deficit of about \$300,000 for that year. It is true this expenditure includes a great deal of surveying; we have surveyed a great deal of land—more than we wanted. A large portion of the work was ill-done and expensively done, from the expedition with which it was done; a good deal of it has to be done over again. They had not time to survey where surveys ought to have been made, where the people and the settlements were. They had no time to give to such work, they had to go on surveying by the tens of millions of acres, in places that will not be filled for many years to come. It was announced in the blue-books; the complaints of the settlers on the Saskatchewan were referred to there as well as by the Minister in answer to me. They said we cannot attend to this; we are engaged in a great work; we are developing the North-West; we are building the Canadian Pacific Railway; we are floating colonisation companies, and we have to survey millions of acres; we have not time to attend to the settlers there, and they went on in this wild goose chase of theirs with the melancholy results which I hope we have not yet quite forgotten. But

we were also receiving exceptional sums through the boom, and we made exceptional and foolish expenditures with enormous rapidity in useless surveys, and with this result, that they received only \$1,050,000 gross and a few hundred thousand dollars net, during this period, and the Minister of Finance tells us that for the future, as the receipts have now grown so small, he does not intend to put them to capital but to revenue account, so that you can judge we are not to be furnished with boom estimates for some time to come, or until some other purpose is to be served. How much is to be netted now by 1890, in view of the \$69,000,000 which was to be obtained in cash or mortgage by the estimate of 1830? Will the hon. gentleman say one half that amount? Will he say one-tenth that amount? I do not believe he will. In 1883 the late Minister of Finance estimated our cash receipts from land in the North-West for 1884 in round numbers at \$2,250,000; in 1883, \$2,000,000; in 1886, \$2,000,000; total, \$6,250,000, for those three years. We have actually received in gross for 1884, \$788,000; for 1885, \$288,000, or for those two years \$1,076,000. I do not know how much the hon. gentleman estimated for revenue out of lands of the North-West this year; he did not particularise, but he gave us the gross sum of seven or eight millions of revenue without stating details apart from the Customs or Excise, and we did not get the particulars. I daresay that from this source it was not more than \$300,000; I daresay that \$1,300,000 or \$1,100,000 is the projected result of those three years, in which by the estimate of three years ago we were to have got \$6,250,000, resulting in there being no net whatever, and a loss instead of a profit after expenses are paid, for the years in which, according to the view of three years ago, we should have had at least \$5,000,000 net profit in cash. In 1883 the Minister of Railways estimated as the cash results of colonisation companies for four years, \$1,562,000. The actual results were for the first of these years, \$248,500; for 1881, \$223,700; for 1885, \$1,200, making a total of \$503,400 for three out of those four years. I do not believe that the year 1886 will materially increase the receipts, and the result therefore will be about one-fifth of the hon. gentleman's estimate. In the same year, 1883, the Government estimated that we would net many millions out of the branch railway lands. We were to sell them to the companies at \$1.06 per acre, and after that they were to make large profits—enough to make a basis out of which the roads were to be built. There would be about four or five millions in that way, and it was capable of a large increase. A little later they found that they had been too extravagant; they found that they had been giving the branch railways too large a margin of profit; they were to make too much money out of the North-West lands given to them at \$1.06 per acre and they passed an Order in Council declaring that for the future they would not give them to railway companies for less than \$1.50, in order that the country might have a fair share of the profits. A few months after the bubble burst altogether, and since then they have remitted not only the extra half dollar of 1883, but the original dollar, and the land grants are free to the branch railways, resulting in free grants of, as far as I can judge, seven or eight millions of acres given, or to be given immediately, for the construction of branch railways which were to have been built by the Canadian Pacific Railway practically out of its land grant. You can judge what the results of that operation are upon the values of land in the North-West Territories. In 1883 the Department of the Interior reported, in addition to the actual payments which had been made, that there would accrue due for the next three years in pre-emptions and time sales \$4,393,070. Now, that was for the years 1884, 1885 and 1886. I wonder how much we shall get? I wonder what the Minister of Interior will say now as to the accuracy of that estimate? In that year, to cap the climax, the Department of the Interior



presented, and the then Minister of Railways (Sir Charles Tupper) read a statement to the House, on the 4th day of May, 1883, and this is the statement:

"Sir,—Having given the subject my best and fullest consideration, I estimate that the receipt of this Department from the sale of agricultural and coal lands, timber dues, rents of grazing lands, and sales of mineral lands, other than coal, with the royalties from the minerals between the 1st of January, 1883, and the 31st of December, 1891, both days inclusive, will amount to not less than \$66,000,000."

That was as late as the 4th of May, 1883. What will be said on this 30th of April, 1886, as to the result by the 31st of December, 1891? We have been asking ever since for the production of the details, the rivulets, of this golden stream, this stream of Paoctolus which the railway was going to throw into the Treasury. And the Minister actually tells us he is not going to put all that to capital account—he is not worth while; but he is going to put it into the revenue. A year or two ago this House passed an order for the details of this. We want to see them, to gloat over them, to rejoice over them—to verify not only the results in gross, but the parts in detail—to see how this grand prophecy was going to be fulfilled. The House has ordered them, but the Department has not furnished them, it is ashamed to furnish them; it dare not furnish them; and we are kept in the dark as to that. I think I have shown you that the promises of this Government were precise, clear, emphatic, superabundant, as to what they would do, and what they had made practically a matter of certainty with reference to the lands in the North-West, namely, that all the expenditure they called on us to incur would be repaid to us rapidly, principal and interest, out of the sale of those lands. I think I have shown the calculations on which they based these estimates, and that events have wholly falsified the accuracy of those estimates. Then, with regard to branch railways, if you compare the promises of the Government and company with their performances, you find the results early in the history of the company. They made claims on the Government for large reserves of land in various parts of the country, and laid before them plans of various branch railways that they were going to build. I think that in one year no less than 1,500 miles of branch railways were projected to be constructed by the Canadian Pacific Railway Company in the North-West. But you know what they have done, and what we have done. We have had to sell at a low price, and afterwards to give for nothing millions of acres of public lands; many municipalities have been called upon to grant bonuses out of their scanty means; the Legislature of the Province of Manitoba has been asked to issue bonds based on the limited resources of that Province, in order to get these branch lines built; and Parliament will probably have to give seven or eight million acres more free, in order to secure that very thing which we were told we were going to secure by the original subvention to the Canadian Pacific Railway Company. And we have to give this in part for building through a large part of the Canadian Pacific Railway Company's own land grant; for if you examine the land grant to the Qu'Appelle and Long Lake Railway, you will find that the Government declined to give a land grant, because they said it was going to be built through Canadian Pacific Railway lands, and therefore the Canadian Pacific Railway Company ought to build the line. The company declined to build it, but they said you build it through, and it will increase the value of our lands; you build and we will get the benefit. Then it was said that we were going to save a great deal of money by the Canadian Pacific Railway Company undertaking a portion of the burden which would otherwise have fallen upon us with reference to immigration expenditure. I need not say much about that. You know the enormous expenditure incurred for immigration purposes for years past, and the beggarly results derived from it; and I am sorry to say that the census of the North-West

Territories shows how little productive that expenditure has been. Instead of a reduction, there has been an enormous increase in the expenditure for immigration; the economy promised as a result of the arrangement with the Canadian Pacific Railway Company has not been produced. The official statistics deceive us no longer. We do not appear to have done much more than, if we have done as much, to retain our natural increase with all this immense expenditure. We have brought in many persons unsuited to the country, and many more to compete with mechanics who were already hard pressed. We hope for some better fruit in future from this enormous expenditure; but so far it seems mostly to have helped only party hacks and party newspapers with printing jobs. As to the monopoly, you know that the pledges as to Manitoba have been absolutely violated by the exercise of the power of disallowance, that great discontent has been engendered there and elsewhere, and that relief has been sought at great expense by that Province by the proposed construction of Hudson Bay Railway. The success of the undertaking is said to be doubtful; but its success, though desired as a relief from monopoly, would damage eastern connections, and turn another way the course of trade, so that many of the predilections hon. gentlemen have made as to the results that would flow to Canada from the construction of the Pacific Railway would not follow. Then, you find another evidence of the anxiety to obtain relief from monopoly in the revival of the Red River boats. They have been revived during the last year in order to provide another outlet to the south. Then, you find the feeling of grievance of being looked in all along the line. Then, there is the other grievance, which I have pointed out before, as to fair proportionate mileage rates to places in Ontario, as compared with those to places in Quebec. We do not find that that has been accomplished. A resolution was passed by the Canadian Pacific Railway Company in fulfilment of the pledges given to Parliament. That resolution seemed to be based on what were fair grounds, that each locality would get under it a just charge, but we do not find that any security had been taken or any arrangement made from which these results are to flow. If I am rightly informed, it has been hinted that the policy of the Canadian Pacific Railway Company as to its through traffic with the North-West is to make one rate for all points for Ontario and Montreal, so that whether it is farther or nearer Callander, the same price is to be paid. I say the charge ought to have regard for the neutral point to which freight is carried. The Canadian Pacific Railway Company is bound, and the Government is bound, to enforce the rule that freight carried from a point one or two hundred miles beyond Callander may be carried cheaper than freight from a point two or three hundred miles beyond Callander. Now, I maintain that the policy hon. gentlemen have advocated, and the pledges they have made, upon which they obtained the assent of the House and the country, have failed. We have paid enormously; a vast capital account has been created, which will burden for many generations the finances of the country. The policy of boom, the policy of expenditure, the policy of unprecedented rapid construction, has not produced those tangible results that were promised to us. It has been accompanied by a great increase of cost to this country without the return it was pledged to us would take place from the sales of lands, without the prospect of that return, and without those other advantages it was said would flow from it. We have paid for the Canadian Pacific Railway, including surveys and the Canada Central subsidy, about \$60,000,000; the company has realised from our lands, sites and bonuses about \$11,000,000; we are about to give them for land merely, over \$10,000,000; thus their receipts from public resources foot up to about \$81,000,000, apart from 14,750,000 acres of land which are to remain

with the company, and \$12,000,000 or \$14,000,000 engaged in extension schemes. Besides these, the company has borrowed from the public, on debentures, \$35,000,000, making a total in cash and works of \$118,000,000 which the company has received without touching a dollar of capital stock. Then there is the issue of capital stock to the amount of \$65,000,000, for which the company received \$29,500,000, making a total received of \$143,500,000, which has been expended in some way, and the company is now asking to borrow something approximating to \$29,000,000 more, because the borrowing power is to be \$2 an acre on its remaining land grant, although out of that are to be paid those land grant bonds which are outstanding. How much more is to be expended we know not; we have no scheme, we have no statement, but we learn that a large increase of capital is wanted and we are asked to authorise that increase. Formerly we were furnished statements, returns, accounts, but that has all passed away now. We are simply told they want more money, and we are asked to authorise an increase of capital. Where has all this money gone? An enormous sum has gone to dividend; large sums have gone in needless, reckless, hasty and premature construction. To dividends has gone, paid and secured, about \$21,000,000. The Algoma branch, which was built, as everybody now knows, entirely prematurely, because it has never been completed, and is lying there with the rails rusting and unused, cost \$2,500,000, entailing a charge on the shareholders of the company of some 11 or 12 per cent. per annum; and the main line has been built at greatly enhanced cost in consequence of the speed. I remember having been ridiculed when I said that speed meant cost; even the company repudiated the notion that the speed would entail any additional expenditure, but now the hon. the Minister of Finance, as an excuse, declares the road could not be built at this rate of speed without costing much more. I recollect well an official statement from the company and one from the chief official engineer of the Government, which amounted to the declaration that the piece of permanent line in British Columbia, to which the hon. gentleman referred as being a charge on the unearned subsidy, had been estimated in the company's estimate to cost 50 per cent. more than it would if built slower. Under these circumstances, we find the Government coming down to-day, with all their promises as to the results of their land grant policy, all their promises as to the result of their immigration policy and their railway construction policy, falsified by events, with an empty exchequer, having abandoned the prospect of recouping the people for the expenditure on the Canadian Pacific Railway out of the North-West land—we find them coming down with this proposition. The hon. gentleman says it is different from former propositions and need not involve a great deal of discussion. True, we were told every cent of the loan would be repaid, and now we are asked to compromise by accepting 66½ cents cash and our own land for the balance; but still the hon. gentleman says the proposition is an advantageous one. Why, he says, it has been proved that the security on the land is admirable. The hon. gentleman has realised his interest out of it and is able to realise more, and therefore he thinks the land is paying so well that, instead of holding a mortgage on it, on which he can only get his money, he had better have the profits of its proprietorship and make \$15,000,000 instead of \$10,000,000! No, it is advantageous; but the advantage is to the shareholders of the Canadian Pacific Railway, because you substitute for the charge upon them and their enterprise of \$400,000 a year interest and the ultimate payment of \$10,000,000, the re-transfer to the country of the claim of the Canadian Pacific Railway to some 6,000,000 or 7,000,000 acres of land. The hon. gentleman cannot sell his land just now, and he cannot give it away, he has been able to put no more than 138 homesteaders

on 400 miles of the forty-eight mile belt of the Canadian Pacific Railway up to the 31st December last, and as he cannot sell the millions of acres and cannot give the land away, he must engage in some land operation, so he buys land back at \$1.50 an acre, and says: "This is so clearly in the interests of the country, that we need not debate it." No; the shareholders want a larger share of profits; they want the \$400,000 a year which otherwise they would have to pay, and the capital of which would have to be paid some day or other by them, and as it is now plain they cannot get the amount out of the lands, because the land security which the Government took on the whole land grant is not adequate to produce 4 per cent. on the \$10,000,000, we are to take over this fraction absolutely in lieu of the \$10,000,000 and to provide the interest thereon. I said I suspected this was contemplated. The method which hon. gentlemen have pursued gave ground for suspicion. When they wanted to persuade us to lend the Canadian Pacific Railway Company \$20,000,000, they offered us, they said, undoubted security for the interest at 5 per cent. They got the money on those terms and then asked us to reduce the rate to 4 per cent. And having succeeded in getting the rate reduced, their next step, one no doubt secretly agreed upon with the company, was to bring down the proposition before us. I was inclined to suspect they would do this. I was inclined to suspect that having told us we had a mortgage on the land, that it was admirable security, that we were going to get principal and interest, we would find the Finance Minister standing up and saying: "This is really costing us more than 4 per cent., we are actually losing money, and there is a great deal of difficulty about the land grant arrangements; they may interfere with the sale of the Dominion lands and with the prospects of the North-West; having accustomed us to these things by degrees, what the Government could not do the year before they deem themselves able to do now. And so they bring down the proposition to-day which they were afraid, or which they did not choose to bring down, a year ago. I do not intend to enter upon some of the details upon which the hon. gentleman said he would give explanations in the committee. It seems to me that the proposal, in the condition of the lands of the North-West, in the condition which is proclaimed of this company, that the people of Canada should retake six or seven millions of acres of this land of theirs at this price, and incur this increase in our net debt and this increase in our annual charge, is one that ought not to commend itself to the House or to the people. There is one other topic not immediately connected with the other topics contained in these resolutions, though flowing, I judge, in the Minister's opinion, from them, to which I wish to address myself for a moment or two before I sit down. I refer to the removal of the shareholders' disqualification for seats in Parliament. Does the hon. gentleman think the shareholders of the Canadian Pacific Railway Company are not powerful enough in this House as it is? Does he think it absolutely necessary to give them the additional power which would be involved in the members of this House being shareholders in this company? This has also been pressed for some time past upon the Government by the company. This company is going for some years to come to have questions between it and the country for settlement, questions connected with its tariff, very important questions connected with its capital account, questions connected with the monopoly policy, questions connected with the extension policy, questions connected with the grants of various kinds, and all these questions have to be settled, I hope, upon just and equitable terms between the country and the railway company; but they are not questions a just or equitable adjustment of which will be facilitated or furthered by making this a Parliament of Canadian Pacific Railway shareholders. I do not believe

that this is at all a time to relax the stringency of the laws regulating the independence of Parliament. If any change were proper to be made in those safeguards, it would be one to increase them very largely. Our institutions in this regard are very much upon their trial; and for my part I shall not record a vote to diminish in any degree the present securities for the independence of Parliament by agreeing that the shareholders in this great corporation, who will for many years have so much to do of an important and vital character with the Government and the people of Canada, shall sit in Parliament and vote upon matters in which they are so much concerned.

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