

MOUNTAIN SECTION.

Cost of Mountain Section (839 miles) as stated in return brought down \$21,520,000

Seventy-five per cent. of the above \$46,140,000 to be guaranteed by the Government for construction of Mountain Section.

And the Government agrees to pay without recourse the interest on bonds so guaranteed for 7 years, which at 3½ per cent. amounts to 11,304,300

RECAPITULATION OF CASH EXPENDITURE.

Total cash expenditure and interest in respect of Eastern Division as above	124,403,219
To this must be added 7 years interest at 3 per cent. (not compound) after completion, during which G. T. P. is to pay no rent	26,124,676
Also interest at 3 per cent. for three years additional during which no rent is collectable unless earnings are sufficient	11,196,290
Cost of Quebec Bridge as estimated	14,422,238
Cost of terminals at Moncton, Quebec and Winnipeg and shops east of Winnipeg	5,470,000
Interest to be paid by the Government without recourse on Mountain section	11,304,300
Total cash expenditure	<u>\$192,920,723</u>

BOND GUARANTEE.

In addition to the above cash expenditure the Government incurs the following obligations on its guarantee of bonds:

Guarantee on Bond issue on Mountain Section as above	46,140,000
Guarantee on Bond issue on Prairie Section, 916 miles at \$13,000 per mile	11,908,000
Cash expenditure	<u>\$192,920,723</u>
Bond guarantee	<u>58,048,000</u>
Total	<u>\$250,968,723</u>

ADMITS \$230,000,000.

After Mr. Borden made this statement, Mr. Graham and Mr. Fielding took four days to study it over and then made their criticisms. Mr. Graham, ventured to dispute only three items. One was the charge for terminals at Winnipeg, concerning which the Minister's own statement had been ambiguous. Assuming his objections to be correct, there would be a reduction of \$878,750. The Minister also objected to the inclusion of the Quebec Bridge in the statement, though the bridge will be part of the G. T. P., and Mr. Fielding himself, in 1903, stated that four-ninths of the cost should be charged to the Transcontinental. The only other item to which Mr. Graham objected was the \$11,196,290 interest on the cost of the Eastern section for the three years during which no rent is collectable unless the earnings are sufficient. Mr. Graham believed that the earnings would be sufficient, and Mr. Fielding contended that the amount would in any case be charged against the Company. Anyone who believes that the G. T. P. Company will admit