

Estimate of the Real Cost.

If, as shown, Mr. Borden's plan involved enormous cost, what does the government's policy involve? In the first place the Quebec bridge must be eliminated because that scheme stands by itself, was approved by both political parties, and while the Grand Trunk Pacific affords an additional reason for the building of the bridge it is not responsible for it and cannot be charged with it.

The Minister of Finance frankly dealt with the cost of the government road in two ways: the amount likely to be spent on construction and the net cost to the country arising out of that construction. The following facts are condensed from Mr. Fielding's speech in the House of Commons May 26, 1904. The railway expert of the department, Mr. Collingwood Schreiber, C.M.G., estimated that the section from Moncton to Quebec would cost \$25,000 a mile, and the section from Quebec to Winnipeg, \$28,000. These figures were for a somewhat better class of road than the Intercolonial, but in order to allow a liberal margin for a better road Mr. Fielding added 25 per cent. to Mr. Schreiber's figures, making the estimated cost per mile as follows:-

Moncton to Quebec	\$31,250.
Quebec to Winnipeg	\$35,000
This would make the cost as follows:-	
400 miles, Moncton to Quebec	\$12,500,000.
1,475 miles, Quebec to Winnipeg	\$51,625,000.
On this basis the cost of the eastern division would be:-	
Interest during construction capitalized	\$7,931,975.
Capital account, actual outlay	64,125,000.
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Total account, actual outlay	\$71,156,975.

WEST OF WINNIPEG.

PRAIRIE SECTION

By the striking out of the item for the Quebec Bridge, which does not belong to the account (although at first it was put in) the changes in the contract made during the session of 1904 did not materially change the figures showing the obligations assumed with respect to the road west of Winnipeg as given when the original contract was presented to Parliament.

The government guarantees three-fourths of the cost, not to exceed \$13,000 a mile. This limits the amount for the 1,000 miles of prairie section to \$13,000,000. The Company will pay the interest on this from the beginning, and therefore there will be no burden whatever on the government.

MOUNTAIN SECTION

The Company expect to construct this for \$50,000 a mile, but taking the estimate of the Opposition, as stated by Mr. Barker M.P. for Hamilton, \$56,000 the cost would be \$26,888,000. On this the government guarantees three-fourths, or \$20,166,000. The state of the money market may require the issue of additional bonds to raise the sum. Add for that \$1,061,000, making a total issue of bonds to be guaranteed by the government \$21,221,000. Annual interest on this at three per cent. is \$636,631. The government pays interest on this for seven years (all other interest being paid by the company). To provide at once this interest, Mr. Fielding stated that we would have to lay aside now \$3,177,794, that is for seven years.