

we may fairly assume that it does not expect the road to cost more than \$50,000 per mile including the interest. I think I might have made the computation on the basis of \$50,000 a mile, but in all these calculations I wish to be on the safe side. I take, but under protest, the estimate of my hon. friend from Hamilton of \$56,000 per mile, which would cost \$26,880,000. On this the government guarantees three-fourths in cash or \$20,160,000.

Assuming a possible discount of 5 per cent on the bonds issued, it would require additional bonds to the amount of \$1,061,052, making a total issue of bonds to be guaranteed by the government of \$21,221,052. Annual interest on \$21,221,052 at 3 per cent is \$636,631. The government pays interest for 7 years (all other interest being paid by the company) as its contribution to the work.

To provide at once this interest for the 7 years it would be necessary to lay aside now the sum of \$3,177,794.

A summary briefly of the figures show the following :

Total present sum required to cover 7 years' interest (all other interest being paid by the company) on cost of eastern division.....	\$10,655,562
Total present sum required to provide government portion of 7 years' interest (all other interest being paid by the company) on cost of mountain section, western division.	3,177,794

Total present sum required..... \$13,833,356

That is to say, if, out of our large surplus this year, we should set aside \$13,833,356, it would provide for the full payment on the seven years' interest which is all the obligation that the government are to bear as respects the whole line from Moncton to the Pacific.

Mr. BELL. At what rate of interest does the hon. minister calculate it ?

Mr. FIELDING. Three per cent.

Mr. BELL. You expect to realize that ?

Mr. FIELDING. I think it as fair a rate as can be taken. If we have to pay high interest when we borrow, we shall receive high interest when we invest, so we shall get the benefit of it, I hope, on one side of that account.

Hon. gentlemen opposite have been taking exception to our making comparison between the cost of this enterprise and the cost of the Canadian Pacific Railway under their administration. They always become restive when we make these calculations. Now, Canada has had only one great transaction of this character, and it seems to me it would be fair and reasonable to make our comparisons with that transaction. If there are new conditions, by all means let us take them into account. There are some new conditions undoubtedly that should be taken into consideration. For

Mr. FIELDING.

instance, when the government of that day by the bargain British Columbia in 1871, committed the country to the building of the Canadian Pacific Railway, we had a population of 3,547,000. To-day we have a population of about 5,500,000. That is a consideration that ought to be kept in mind in considering the ability of the country to undertake this great work. When the government committed the country to the building of a transcontinental railway in 1871, the revenue of Canada was about \$19,250,000. We are asking the people to undertake the construction of a second transcontinental railway when our revenue is \$70,000,000. When the government of that day committed the country to the construction of the Canadian Pacific Railway, the total trade of Canada was \$170,000,000. We are asking the country to commit itself to another transcontinental railway when the trade of Canada has reached \$457,000,000. The late government committed the country to building a transcontinental railway when the bank deposits of the country had reached the large sum— for it was a large sum—of \$62,500,000. We are asking the country to accept the responsibility of a second transcontinental railway when the bank deposits are \$439,000,000. When the arrangement was made by the late government with the Canadian Pacific Railway Company for the construction of a transcontinental railway—no, not for a transcontinental railway, but for a railway which began away up in Ontario, and ran thence to the Pacific, and not a scheme like the one now before this House—they gave that company \$25,000,000 in hard cash. We are proposing as I have shown by the statement I have read to assume an obligation equal to a present payment of between \$13,000,000 and \$14,000,000. That is the whole transaction ; when we tell you that, we tell you the beginning and the end of the obligation which the people of Canada are to assume. When the late government entered into the contract with the Canadian Pacific Railway Company they gave up about \$37,750,000 worth of completed government-owned railway as a free gift to the company. We do not give up anything of the kind—there is no such item on our side of the account. When the late government made that contract with the Canadian Pacific Railway Company, they gave them 25,000,000 acres of land. We give this company not a single acre. When the late government made the contract with the Canadian Pacific Railway Company, they gave the company freedom from customs taxation. We give this company not a dollar of such aid. When the late government made that arrangement with the Canadian Pacific Railway they gave the company exemption from railway competition for twenty years. There is no monopoly in the contract which we put before parliament. When the late gov-