Railways, considering the country which that railway passes through from Winnipeg to Moncton, think that if we were obliged to take it over and work it, it would be a good security for the money invested in it? Does it pass through the fine grazing and agricultural country, or the good mining country, that the Intercolonial passes through in New Brunswick and Nova Scotia? It passes through a country from Winnipeg to Quebec which is now a virtual wilderness. Taking the history of the Canadian Pacific Railway, of the Canadian Northern and other railways, we learn that in order to procure a traffic upon that road you require a long time. Some portions of the Canadian Northern have been built for eighteen years, other portions for twelve, eight and six years, and the Canadian Northern, although passing through choice farming lands in the Northwest Territories, is only now beginning to reach a good financial basis, but barely so. Possibly the Grand Trunk Pacific, from the Pacific to Lake Superior, may, in four or five years' time, reach a good financial basis with the traffic of that splendid country it passes through. But as for the section between Winnipeg and Moncton, you may have possession of it from twenty-five to fifty years, and at the end of fifty years you would be poorer than you were at the beginning. We are justified in coming to that conclusion from observing the manner in which the Intercolonial Railway is managed, with a deficit of $4,500,000 per year, and upon a road passing through a country not nearly as good as the Intercolonial passes through you would have a deficit of $6,000,000 or $7,000,000, and, instead of having an asset for the money expended on this road, you would have on your hands an elephant which would cost the country millions every year.

But we are told we have a guarantee from the Grand Trunk Pacific that after seven years or ten years they will pay interest on the amount. What is the guarantee of the Grand Trunk Pacific? It is a guarantee on the value of the undertaking. It does not bind the bondholders of the Grand Trunk Pacific. If they build a road from the Pacific to Lake Superior they are free from any such liability at all. It is only the actual stockholders of the Grand Trunk Pacific that make that promise to the government. Suppose they say: We find that we cannot work that road, the receipts do not enable us to meet the expenditure; they can force the government of this country to take over that road. They can say: We won't work it; and what remedy have you against it? No remedy at all. You are obliged to take over the road. You will have on your hands a road on which you have expended $191,000,000, and under the circumstances it would have been better if that $191,000,000 had been thrown into Lake Superior, because you have a liability of $5,000,000 or $6,000,000 a year to work this railway afterwards. We had a calculation made by the Finance Minister that the eastern section of that road would cost from $25,000 to $28,000 per mile, plus 25 per cent, to bring it up to the standard that Mr. Charlton advocated. The Minister of Finance has forgotten that in the estimate he was providing for the whole cost of the Quebec bridge up to that moment. Does he forget that? If he does, perhaps I had better read to him from the 'Hansard' a statement that he made at the time:

> Adding all the various sums together—the present value of seven years' interest on the eastern section, first, on the basis of $25,000 and $28,000 per mile, which is the way the figures are made up; seven years' interest on the Quebec bridge represented by its present value.

Mr. FIELDING. That probably will be on the $2,000,000 which I estimated as the proportion chargeable to the National Transcontinental Railway.

Mr. HAGGART. You were including the Quebec bridge.

Mr. FIELDING. To the extent of $2,000,000.

Mr. HAGGART. The minister made a statement and asked for a guarantee of $6,200,000 and odd or bonds issued to the Quebec Bridge Company. His figures in the estimate for the Quebec bridge were $500,000 too low:

> The government's liability for the Quebec bridge was limited by chapter 54 of the Acts of 1902 to a guarantee of the payment of the principal and interest on the authorized bond issue by the company to the amount of $6,678,000. This guarantee was given, the bonds were issued and pledged for the company to the Bank of Montreal for the raising of money. Of these guaranteed bonds £478,700 sterling, approximating $2,330,000, have since been returned to the government and are held as collateral for an advance of $2,000,000. Therefore, we have advanced $2,000,000 out of the amount. The remaining bonds to the amount of the sterling equivalent of $4,348,200 are outstanding in the hands of the Bank of Montreal. The bank's claim against the bridge company on April 13, 1908, for general advances and interest was $3,773,000 and another special advance of $174,000.

Deducting them from the amount the bank holds as security for this amount leaves the amount advanced by the government $5,900,000 or about $500,000 less than my hon. friend estimates it. I remember the Finance Minister stating when he brought down his motion for the guarantee of the bonds by the government that the Quebec bridge was an essential part of the undertaking of the Grand Trunk Pacific. I believed him too. What are you going to do? Are