

boundary. The hon. gentleman talks about a survey made of the road from Edmonton to Moncton and from Edmonton to Quebec. Well, one peculiarity of this road is, that from Quebec down to River Ouelle it almost parallels the Intercolonial. I was about to say 'paralyzes,' and perhaps that would be the better word. What is the necessity of another extension almost paralleling the Intercolonial down to River Ouelle, from which place it crosses over to Moncton? We have had a carefully prepared report submitted—the first we have had—regarding the financial position and the actual cost of the eastern section. In the Department of Railways there are able men on the engineering staff, who ought to be able to furnish us with the details of the gradients and curvatures and the estimated cost. Last year the hon. gentleman gave a statement from information he got from the Railway Department that this road would only cost \$28,025 per mile, and he adds a certain amount until he gets the figures of cost up to \$35,000 per mile. He accuses my hon. friend the leader of the opposition of over-estimating the cost when he made it \$40,000, but if we take the figures of the hon. Minister of Finance and add the interest during construction, we will find that there is a difference of but \$300 or \$400 a mile between the two. When Mr. Schreiber was asked to put in writing his opinion on the cost of the road, he gave his opinion on the cost of a road with the gradients and curvatures of the Intercolonial. But we were told that this was to be a road of first-class character; and, if so, the estimate of cost from Winnipeg to Moncton would be below the mark at \$40,000 per mile. Take the road which was described in this House by the hon. member for North Norfolk (Mr. Charlton) and others on the government side—a road with four-tenths gradients, or about twenty-one feet per mile—and then compare that with the Intercolonial. Why, the gradients on the Intercolonial—and I have just got these for the purpose of showing what value is to be placed on Mr. Schreiber's report of the cost—are sixty-five feet and more to the mile, and the maximum curvature is 694 feet. If you intend to build a road like that, do you suppose that you will ever be able to carry grain over it from Winnipeg to the coast? No; my hon. friend the leader of the opposition is under the mark when he estimates \$40,000 per mile. The Minister of Finance, by a little juggling of figures, made the cost equal to about \$14,000,000. But when you borrow money to build a road—and the hon. gentleman estimates that the eastern section will cost \$71,000,000, on which we will have to pay interest for seven years, which will amount to \$13,000,000, besides some other liabilities which we may reasonably expect—are you simply going to take that \$13,000,000 as the charge against the country? A more absurd, misleading statement was never made.

You build a road and borrow the money on the credit of the country to pay for it, and you pay out the cash; is not that an indebtedness to the people who hold the bonds? True, you may be recouped, but the amount of the bonds is the measure of our liability. When we built the Welland canal, we were told that the tolls would recoup us for the interest on the expenditure, and consequently it would cost us nothing. Can you imagine a more childish contention? It would not take in an ordinary schoolboy in a public school. The amount to be charged against the government is the liability undertaken at the moment and the money expended. What is the proposition of my hon. friend? He says that we are to pay out in cash three-quarters of the cost of the western section and build the whole of the eastern section. In that case, is it not time, if that expenditure is to be made at all, to try what government ownership will accomplish?

The Finance Minister hints at some features of the management of the Intercolonial Railway by his former colleague. We were promised, if we would extend the road and give it an entrance to Montreal that, though the expenditure might be large, it was like the expenditure of a man who paid to remove his business from a back street to a front street. They told us that the increased receipts would give splendid results. Counting deficits, so-called improvements and rolling stock, they expended no less than \$22,000,000 on the Intercolonial. That capitalized at four per cent would mean an annual expenditure of \$880,000. To keep the Intercolonial in as good a financial condition as it was in when handed over to them, they had to make \$880,000 more per year. And what is the result? We have not yet received the figures for last year, but the probability is that, notwithstanding this extension to Montreal which was so much lauded by hon. gentlemen opposite, there will be a deficit on the Intercolonial. I warned the right hon. gentleman (Sir Wilfrid Laurier) and his then Minister of Railways, of whom he has since spoken of as the greatest expert in railway matters in Canada and whom he has made chairman of the commission that is to administer justice to railways, that he had thrown back the possibility of government ownership for fifty years, that you could not justify government ownership after this extravagant expenditure on the Intercolonial. And now the right hon. gentleman's Finance Minister, after giving the loose rein to the ex-Minister of Railways, quotes our experience on the Intercolonial and reads a statement of Sir John Macdonald in reference to government ownership, and so concludes that it would be a bad plan to try it now. It would be a bad plan to try with such management of government railways as we have had under the right hon. gentleman's regime. But there is no reason that the management of