fitable to the Government as owners of the main line. In the case of a short branch, it would not pay the company to run it as an independent road, and what might then be an unprofitable transaction for the company, might be a very profitable one for the Government, as owners of the main line.

It will be seen that these amendments are not important, and in no way detrimental to the public interest. But there are two remaining amendments of some financial importance.

OF SOME FINANCIAL IMPORTANCE.

The main agreement guaranteed three-fourths of the cost of the Mountain Section, not exceeding $30,000 per mile. On reflection the company thought that the original estimate of cost, $40,000 a mile, might prove to be too small, and this element of uncertainty, it was agreed, should be divided between the Government and the company, and so the Government agreed to guarantee three-fourths of the cost, whatever it might be. This change involved some measure of increased obligation for the country, but it will not be very great, as $56,000 a mile, mentioned by Sir Charles Rivers Wilson, is considered a high estimate.

The length of the Mountain Section is estimated at 480 miles.

The other clause of financial importance deals with the question of implementing the guarantee on the Western Divison. When the negotiations began the money market was in a fair condition and it was thought that a government guarantee bearing 3% interest would probably sell at par. When the negotiations came to closer quarters the money market had taken a very unfavourable turn, and the company thought they would not be able to raise the necessary money on a Government guarantee of three per cent. They pointed out that if they had to sell the bonds below par, they would be, to that extent, short of the means to build the road. If it should be found that the bonds, when they come to be issued sell at a price materially less than par, to that extent the amendment requires the Government to implement the arrangement by issuing an adidtional amount of bonds so as to make the proceeds equivalent to par. By the time we come to issue those bonds the money market may be in a normal condition, and it is hoped that they will sell so close to par that there will be no need of implementing the issue.