

Mr. COCHRANE: Yes.

Mr. GRAHAM: That total does not include contractors' claims, which may be referred to the Exchequer Court or which may be settled amicably. It is clear therefore that the actual cost had not been arrived at even at that date.

The Minister of Railways submitted this statement to Mr. Chamberlin on January 23. His letter is merely a submission of the figures, and therefore I need not read it. On January 25, Mr. Chamberlin acknowledged the receipt of that letter. On February 2, Mr. Gordon Grant, Chief Engineer of the Government, writes to Mr. Woods, Acting Chief Engineer of the Grand Trunk Pacific. His letter clearly explains itself. It is pointed out that the construction and the acceptance of this road is subject to the joint action of the Chief Engineer of the Government and the Chief Engineer of the Grand Trunk Pacific. Without this joint acceptance, there can be no real finality as to the completion of the road. The letter is as follows:

February 2, 1915.

H. A. Woods, Esq.,  
Chief Engineer or Acting Chief Engineer,  
Grand Trunk Pacific railway,  
Winnipeg, Man.

Dear Sir,—Under section 7 of the schedule of the National Transcontinental Railway Act, 1903, it is stipulated that the work to be done on the eastern division of the National Transcontinental railway shall be subject to the joint supervision, inspection and acceptance of the chief engineer appointed by the Government and the chief engineer of the Grand Trunk Pacific Railway Company. The Government is of the opinion that this provision has been complied with in every way; but to put the matter of acceptance into desirable form, I enclose herewith formal acceptance which I have executed as chief engineer for the Government, and I would ask you to kindly sign as chief engineer or acting chief engineer for the company. The enclosure is in duplicate, and you are at liberty to retain one of the copies for the company.

Yours truly,  
(Sgd.) Gordon Grant,  
Chief Engineer.

Accompanying that was a form of joint acceptance for the Chief Engineer of the Grand Trunk Pacific to sign. He refused to sign that form, as he contended that the road was not completed. I will read his letter a little later on. There is another letter from the Minister of Railways, which I think in fairness to him I should put on Hansard, to make the record fairly complete. It follows up his letter of January 23, in which the figures of the chief

engineer were given. The letter is as follows:

February 3, 1915.

E. J. Chamberlin,  
General Manager Grand Trunk Pacific Ry.,  
Montreal, P.Q.

Dear Mr. Chamberlin:

With further reference to my letter of 23rd January, in which I enclosed the statement of the cost of construction of the eastern division of the National Transcontinental railway, I beg to point out that it is not intended that the item therein inserted as necessary to cover the completion of certain works shall be included at the present time, in the amount upon which interest should now be calculated. What may be incomplete is not at the present time an essential portion of the National Transcontinental railway, and it is only upon the cost of the work as completed that it is proposed to calculate interest now. This cost the Government is having a report upon by auditors, and the result of the report will be made known to you in due course.

Yours very truly,  
(Sgd.) Frank Cochrane.

That letter, of course, states quite clearly that the amount given in the former letter is not considered the final amount upon which the rental shall be based, because the minister says in so many words: This amount is up to December 31, 1914; but at a later date, when the road is completed—that is the only inference that can be drawn—the total cost of the National Transcontinental will be computed and the interest on that amount will be the rental finally decided upon under the lease and the Act of 1903. That clearly indicates that the minister does not think the road is completed. The chief engineer takes the view that the road can be operated as it is at present, but the minister and all the correspondence admit that the road is not completed under the agreement.

Mr. COCHRANE: Is a road ever completed?

Mr. GRAHAM: It might be said that a road is never completed, and I think the minister says so in one of his letters; but it can be completed under an agreement, although it may be everlastingly requiring changes. The minister's letter makes it clear that he thinks the road is completed so that it can be operated.

On February 3, there is another letter in which the minister again urges the company to execute the lease, and he refers to the amount to be expended in rolling stock for the equipment of the eastern division, \$5,000,000 being the amount?

Mr. COCHRANE: Yes.