

to the press. The sending out of this item synchronized with the laying of the report on the table.

Assuming that the Grand Trunk Pacific Railway Company will commence to pay interest on the cost of construction in 1922, the road will have cost the country, for principal and interest, \$234,651,521. This amount has been arrived at by calculating the interest on the amount expended during each year from the end of the year up to the end of 1921.

These gentlemen are not as fair as my hon. friend the acting Minister of Railways. You see now the false impression—just really to show the trend of this whole thing. This report as sent out, neglected to state that the compilation was arrived at by a computation of compound interest, not simple interest. It makes quite a difference in the impression created in the public mind. The report says compound interest, but the item sent out to the papers leaves it to be understood that the amount was arrived at by the computation of interest in the ordinary way. The amount of interest that it will cost the country during the seven years of free rental of the line forms no part of the cost of construction of the line, everybody agrees with that now. The payment by the country of the interest on the amount the Grand Trunk Pacific would pay for the first seven years, were they not rental free under the agreement, has nothing whatever to do with the cost of the laying of the rails, with the cost of embankments, with the cost of construction, be it great or small. This investigation was to ascertain if there had been extravagance in the construction of the line, and the interjection of this dissertation as to what it would cost the country after the end of the seven years is altogether outside of the instructions given that commission, because it forms no part, directly or indirectly, of the cost of the construction of the line. This amount of the rental for seven years was really a subsidy given to the Grand Trunk Pacific railway, nothing more, nothing less; a subsidy equal to a good many million dollars in cash, it is true, but a subsidy nevertheless. It is a part of the agreement with the Grand Trunk Pacific and has nothing whatever to do, directly or indirectly, with the cost of the construction of the line. But if that be true and it be a subsidy, what earthly excuse is there for the commission computing interest on a subsidy? We have given millions to other railways. We are giving subsidies every year. Now, has any person ever thought that, in order to find

[Mr. Graham.]

out the amount of subsidy we have given to the Canadian Northern railway or the Canadian Pacific railway, we should compute compound interest from the day we gave it until the present? That is what has been done by this commission in this report referring to the National Transcontinental railway. It shows a total unfairness and a desire to treat this enterprise on an altogether different basis from any other enterprise of this kind that the Government has ever aided. I shall make a computation from which I think the Government will see the unfairness and the foolishness of this commission endeavouring to lead the people to believe that interest ought to be computed on what was really a subsidy.

In 1885 the Canadian Pacific railway handed back to the Government certain lands for which they received cash to the amount of \$10,198,520.23. This decreased the land grant but increased the cash so that up to 1887 the Canadian Pacific railway had received in cash \$72,000,000. Mark you, \$72,000,000, in cash or its equivalent. Does any person say that the Grand Trunk Pacific received \$72,000,000 with compound interest added? It stands in the books of the Government, in the Auditor General's Department, at \$72,000,000; but calculating it as these commissioners insist upon doing, and adding compound interest for thirty years at 3½ per cent, we should find that the Canadian Pacific railway up to 1887 had received in cash, and railways constructed and handed over, \$202,089,110. I have just as much right to say that at the end of that thirty year period the Canadian Pacific railway will have received \$202,000,000, as this commission has to say that the Grand Trunk Pacific will have received this amount, plus the compound interest. This is the first time in the history of Canada that compound interest has been added to a subsidy given to a railway when endeavouring to show what aid that railway has received.

Mr. MEIGHEN: Where does my hon. friend get his authority for calling that a subsidy?

Mr. GRAHAM: I will tell my hon. friend after a while. Let me now make a comparison between this railway and some others. Considering the difficulties under which it was constructed, the country through which it runs, the exceedingly high cost of labour and material, and the high standard of the road, I assert that the Transcontinental railway has been con-