

that I had not authority for saying what I did concerning his misstatement of \$41,000,000, I propose to read part of the Act :

The expression 'cost of construction,' in the case of the eastern division, shall mean and include all the cost of material, supplies, wages, services and transportation required for, or entering into, the construction of the said eastern division, and all expenditure for right of way and other lands required for the purposes of the railway and for terminal facilities, accommodation works and damages and compensation for injuries to lands and for accidents and casualties; cost of engineering, maintenance, repairs and replacement of works and material during construction, and superintendence, book-keeping, legal expenses, and, generally, costs and expenses occasioned by the construction of the said division, whether of the same kind as, or differing in kind from, the classes of expenditure specially mentioned, including interest upon the money expended; the interest upon such outlay in each year shall be capitalized at the end of such year, and interest charged thereon at three per cent per annum until the completion of the work and until the lessees enter into possession under the terms of the said lease.

Only to the beginning of the seven-year term, and not a day after; but my hon. friend counted the seven years, in defiance of the statutes. Let me read section 20 of chapter 71 :

When completed the said eastern division shall be leased to, and operated by, the company for the period of fifty years, at a rental, payable as follows, namely:— For the first seven years of the said term the company shall operate the same, subject only to payment of 'working expenditure' as defined in paragraph fourteen of this agreement; for the next succeeding forty-three years the company shall pay annually to the Government, by way of rental, a sum equal to three per centum per annum upon the cost of construction of the said division, ascertained in the manner defined in paragraphs fifteen and sixteen of this agreement.

The balance of the section refers to the first three years. I think I have made it clear to my hon. friend that he has made a momentous blunder.

To the cost of construction is added the interest on the cost during the time of construction. My hon. friend has estimated that to complete the road will cost \$161,000,000. Add to that interest for the time during construction, which will, he estimates, bring the amount to \$181,000,000. That is the amount on which the Grand Trunk Pacific must pay a rental at 3 per cent after the expiration of the seven years.

People Approved Increased Cost.

I think it is in my favour. This road has been largely constructed, and it has cost a lot more money than was first estimated. But let me point out that in 1908 practically every pessimistic figure that has been given to the House to-day was given to the people on the platform. In 1908, as Minister of Railways and Canals, I told the people what approximately this road would cost, and I did not adhere to the former estimate. It was discussed on every platform where I was, and the people of Canada, knowing what it would cost, said: Complete the road to the standard to which we told you to complete it in 1904. All this reading by my hon. friend of the campaign literature of 1908 was cured in 1908 by the votes of the people of Canada then knowing what the road would cost.

General Characteristics of Report.

Now I come to the question which I wish to discuss, that is, the so-called report of the commissioners appointed by the Govern-