

several years ago, but rather less. Then, last year I estimated that the road from Quebec to Winnipeg would cost on a basis of \$28,000 per mile. I made that estimate, not because I believed that the country was any more difficult, but because it was less accessible and there might be a greater cost for getting supplies. Again, in order to provide a fine grade of road, I added one-quarter to the estimate, and I assumed that the road would cost \$35,000 per mile. The leader of the opposition made it \$40,000 but gave no authority whatever for his theory. I stated last year that my information as respects the estimate of \$25,000 per mile for the one section and \$28,000 per mile for the other, was obtained from an eminent engineer, and I think I said my information came from Mr. Collingwood Schreiber, the chief engineer of government railways. I was then asked if I obtained a written report from Mr. Schreiber, and I said I had not. Anticipating that the same question might be asked again this year, I asked my hon. friend the Minister of Railways to obtain from Mr. Schreiber a statement of his views on the matter, reminding him of the information he gave me last year. Mr. Schreiber has addressed to the Minister of Railways the following letter, which deals entirely with the original estimate of \$25,000 and \$28,000 per mile:

Office of the Deputy Minister
and Chief Engineer.
Ottawa, Ont., 17th May, 1904.

Hon. H. R. Emmerson,
Minister of Railways and Canals,
Ottawa, Ont.

Sir,— In compliance with your request that I should put in writing the information orally given by me to Mr. Fielding last summer, while he was acting minister of this department, in respect of the estimated cost of constructing the eastern division, between Moncton and Winnipeg, of the proposed Grand Trunk Pacific Railway, I would state as follows: premising that the character of railway I had in view was a substantially built railway, with maximum grades of less severity, and curves of greater radius than those on the Intercolonial Railway.

As to the section between Moncton and the south approach to the bridge now in course of construction over the River St. Lawrence at Quebec, I advised Mr. Fielding that from my personal knowledge of the general configuration of the country, and from information gathered from the written reports of various engineers who have traversed the district, I had arrived at the conclusion that the cost of construction should not exceed \$25,000 per mile.

As to the section between Quebec and Winnipeg, I considered this section on the assumption that the line would probably follow the height of land from a point some distance from Quebec to a point north of Sudbury, and thence to Winnipeg, passing north to Lake Nepigon. I availed myself of the information contained in various engineer's reports on surveys made of the country lying between the neighbourhood of Sudbury and Winnipeg, and the conclusion I reached was that the cost of construction need

not exceed \$28,000 per mile, and I so informed Mr. Fielding.

I would say that I am still of opinion that a road of the standard above indicated can be constructed at these figures.

I have the honour to be, sir,
Your obedient servant,
COLLINGWOOD SCHREIBER,
Chief Engineer.

Hon. gentlemen will observe that Mr. Schreiber is dealing with a road of less severe grades and somewhat better in its character than the Intercolonial; but not wanting to be confined to a road of that character and wanting to allow a liberal margin for a better road, I added in both cases twenty-five per cent to the first estimate making my calculation \$31,250 per mile from Moncton to Quebec, and \$35,000 per mile from Quebec to Winnipeg.

In conversation with Mr. Schreiber I asked him whether he considered the allowance I made in that estimate a liberal one, and he said that he authorized me to say that he did; and I heard a prominent railway contractor say that he would be very glad to take contracts under these circumstances. So I think my hon. friend has magnified his first cost in that respect; and if he gets an excessive first cost, it follows that he gets an excessive cost for interest; and so, having started wrongly, he gets astray in the whole calculation. An hon. friend suggests that perhaps I should ask my hon. friend at a later stage to give us his expert who says that it cannot be done under \$40,000 a mile. We will hope to receive that. I find that the hon. leader of the opposition has estimated the Quebec-Moncton section, 400 miles, at \$40,000 a mile, making \$16,000,000; a fair estimate would be, 400 miles at \$31,250 a mile, \$12,500,000; excess of Mr. Borden's estimate, \$3,500,000. My hon. friend's estimate of the section from Quebec to Winnipeg, 1,475 miles at \$40,000 a mile, amounts to \$59,000,000. A very liberal estimate would be 1,475 miles at \$35,000 a mile, or \$51,625,000; showing an excess in Mr. Borden's estimate on that section of \$7,375,000. So that the excess of my hon. friend's estimate of the cost of the eastern division from Moncton to Winnipeg, amounts to \$10,875,000; and of course if my hon. friend puts that into his capital account, he immediately proceeds to put in a sum for interest based thereon; and so one wrong step leads to another, and so he get astray in the whole calculation. My estimate of the cost of the eastern division is as follows:

Capital account, actual outlay	\$64,125,000
Interest during construction capitalized.. . . .	7,031,975
Total capital account.. . . .	\$71,156,975

There is a question about the three years' interests which is to be paid if the road earns it; and if it does not earn it, it is to be capitalized and carried into the capital