

I am pointing this out to show that the Government should hesitate before entering into a permanent arrangement, because nobody knows yet, so far as I can find in the correspondence, that the Grand Trunk Pacific is not ready to take over this road when the Government has completed it and is ready to hand it over to them. To make clear the position taken by the Government, I shall refer to the correspondence. The Chief Engineer of the National Transcontinental Railway, Mr. Gordon Grant, has said the road is completed for operation, but in the same letter in which he states that, he has some strong qualifications. In the correspondence between the Government and the Grand Trunk Pacific it is positively admitted that there are works now under construction for the National Transcontinental railway which are not completed and will not be completed for some time. It is also shown that there are many places along the line where the company does not admit that the work is completed, and the company's engineer asks the Government's engineer to have a joint inspection made, so that they might arrive at just what the real conditions are. To show that I am borne out in my supposition that the road is not completed, I shall refer to the correspondence of the Government with the company. I find on January 13, 1913, this letter to the Minister of Railways from the President of the Grand Trunk Pacific Company:

Dear Sir,—In view of the completion of the National Transcontinental railway, I think it desirable that the necessary conferences should be had, and arrangements made for the drafting and settling of the lease by the Government to the company of the Eastern division, which is stipulated for by the agreement of the 29th July, 1903.

The terms of the instrument are of course provided for and generally determined by the provisions of the agreement, but questions will doubtless arise in the drafting which will require consideration and settlement by the parties, and I think that suitable disposition should be made for taking up this work without delay. Probably it will be well that your legal agents and those of the Government should confer upon the subject, and I shall be glad if you will issue the necessary instructions with the view to getting the lease ready for execution. I shall be pleased to hear from you on this subject at your earliest convenience.

Yours very truly,

F. Cochrane.

E. J. Chamberlin, President,
Grand Trunk Pacific Company.

On January 14, the very next day, the President of the Grand Trunk Pacific replied thus:

[Mr. Graham.]

Dear Mr. Cochrane,—I beg to acknowledge the receipt of your letter of the 13th instant, stating "that in view of the completion of the National Transcontinental railway you think it desirable that the necessary conferences should be had and arrangements made for the drafting and settling of the lease by the Government to the company of the Eastern division, which is stipulated for by the agreement of the 29th July, 1903."

As you further state, questions will doubtless arise in the drafting which will require consideration and settlement by the parties. Apart entirely from the important question as to whether or not the National Transcontinental railway has been completed as contemplated by and in accordance with the agreement to which you refer, it appears to me that before any substantial progress can be made in the direction indicated in your letter, the question as to the sum, which, as representing the cost of construction, the company is to be asked to pay interest on under the agreement, must be considered and determined.

I feel sure that you fully recognize the very great importance of this phase of the question and would therefore respectfully request that you be good enough to furnish me with a statement of such cost at as early a date as reasonably convenient.

Very truly yours,

E. J. Chamberlin.

Hon. F. Cochrane.

In that letter Mr. Chamberlain refers to the sum on which the rental is to be paid, which is the entire cost of the road when completed, and which, I submit, cannot be ascertained until the road is completed. Secondly, he refers to the great question whether the road is completed or not. On January 18, Mr. Gordon Grant submitted a letter to the Minister of Railways as to the cost, I presume in pursuance of information asked for in Mr. Chamberlin's letter. The letter is as follows:

January 18, 1915.

Hon. F. Cochrane,

Minister of Railways and Canals,
Ottawa.

Dear Sir,—In accordance with your request of the 15th instant, I hand you herewith a statement showing the cost of construction of the National Transcontinental railway from Moncton to Winnipeg. You will note that the total cash expenditure to date amounts to \$149,479,550.02, and that, adding the interest, as per the terms of clause No. 15, National Transcontinental Railway Act of 1903, the total is \$170,123,191.75. Add to this unpaid estimates, approximately \$1,900,000. The total to date is \$172,023,191.75. The above total does not include anything for contractors' claims, which I now have under consideration, and which may be settled amicably or in the Exchequer Court.

Yours truly,

(Sgd.) Gordon Grant,
Chief Engineer.

It will be remembered that that is only the cost of the railway to date. I presume that that would refer to December 31, as the letter is dated January 18?