

The sum total of the money to be paid by the Government for the construction of that line of railway from Moncton to the Pacific ocean will be in the neighbourhood of \$12,000,000 or \$13,000,000 and not a cent more. Now, Sir, what is \$13,000,000 in the year 1903—it is about our surplus of revenue over expenditure; the surplus for this year will pay for the construction of this road.

Again at page 7695, Sir Wilfrid said:

The cash subsidy which is promised and which is to be given under this contract to the Grand Trunk Pacific Company will not exceed \$13,000,000 or thereabouts. Now, Sir, I think under the circumstances that I can appeal with some confidence to the judgment of the House to ratify, and to ratify with earnestness and with joy, the contract which I have the honour to lay upon the table.

This was followed by a speech from the Hon. Mr. Fielding. I shall not read his quotation because it is too long, but it was simply to say that he corroborated all that Sir Wilfrid Laurier had said. A report by the Globe of this speech concludes as follows:

When Mr. Fielding sat down at 11.20, after speaking for nearly four hours, there was a tumultuous outburst of cheers.

As these statements were made in Parliament, there was a sufficient justification for the people of this country to believe that the total cost of the National Transcontinental railway would be \$13,000,000. That statement was followed up by the authorized and revised version of the campaign literature which was placed before the public in 1904. I remember that literature quite well, because in 1904 it was like butting up against a stone wall to run up against the policy of the Government of the day, namely a National Transcontinental railway for \$13,000,000. On a page of that pamphlet in large black type, there was the following heading:

A Transcontinental railway for \$13,000,000. It is an actual fact, an indisputable fact, that \$13,000,000 will cover every cent of the country's expenditure in connection with this railway.

I have in my hand a copy of the Owen Sound Advertiser of 1904, the Liberal organ in my riding. I am going to quote from the speech of the Hon. A. G. MacKay, formerly Minister of Crown Lands in the Ontario Government and late leader of the Opposition in the Ontario Government. Let us see what he said to the people of my constituency upon that occasion.

Referring to the Grand Trunk Pacific railway scheme, he dealt effectively with the question, showing what would be the result of Government operation of the road. He then went on to ask where would the estimated cost of the road, \$13,500,000 be when this railway went

[Mr. Middlebro.]

through as a colonization road and opened up 16,000,000 square miles of country growing valuable spruce which will be increased in value in this way? The money necessary for its construction could be borrowed in England for 3 per cent, and as the Government would receive an equivalent of 3 per cent rental from the Company it was simply a matter of receiving the money from the Company with one hand and paying it out with the other on the interest and it was no hard or expensive business to transact.

I am therefore perfectly justified in saying that no matter what the present leader of the Opposition meant when he spoke in the House as I have stated, certainly the country believed that we were going to get a national transcontinental railway for \$13,000,000. I am going to take the right hon. gentleman at his word; I am going to compare what he now says was his meaning with the facts and figures as they exist to-day. I am going to make my computations upon the basis of four per cent, and I will give the House the reason why. I have taken the trouble to ask the Finance Department what is the rate of interest that we have paid on all that portion of the national debt which has been paid off in the last ten years, what is the rate of interest which we will have to pay on that portion of the national debt which we will pay off in the next ten years, and what is the rate of interest which we will pay for the loan of \$25,000,000 which we raised the other day. I think hon. gentlemen will agree that that is a fair way of getting at the root of the matter. What are the facts? My questions were as follows:

What is the average rate of interest paid on that part of the national debt which matured in the last ten years?

The answer was 3.82; we will say 3.83.

What is the average rate of interest paid on that part of the National debt maturing in the next ten years? and the amount of said debt as maturing?

The answer was 3.74; we will say 3.75. Our last issue of \$25,000,000 of 4 per cent bonds sold not at par but at 99, which means that we are paying more than 4 per cent for them. The Finance Department tells me that it cost .23 per cent for commission, brokerage and expenses of loan. If you add .23 per cent to 3.83, the cost of the loans which expired in the last ten years, you have 4.06. If you add .23 to the cost of the national debt which will expire in the next ten years, you have 3.98, and the cost of the loan which we have just put through, adding .23 per cent for brokerage, commissions, is 4.25. The cost of the three loans, the \$27,000,000 which will mature,