

amount for the cost of completing that bridge so as to make that through line from Winnipeg to Moncton a through line in every sense of the word. If my hon. friend the Minister of Railways and Canals has any grounds upon which he would reasonably think that that sum of \$9,000,000 ought to be cut down, I shall be ready to give every fair consideration to anything he can bring forward for that purpose.

So far as the cost of the terminals is concerned, a word of explanation is perhaps also due. I have taken the cost of terminals at Moncton, as stated in the return brought down, at \$750,000; I have taken the cost of the terminals and approaches at Quebec, as stated in the return brought down, at \$2,000,000; I have taken the cost of the shops east of Winnipeg, as stated in the return brought down, at \$1,500,000, and I have capitalized the annual sums which we shall be obliged to pay, according to this return, for the use of terminals at Winnipeg. The way in which I have done that cannot, I think, be criticised as unfair. The statement in the return is as follows:

With regard to terminals at Winnipeg, by agreement of March 1, 1907, confirmed by the Act of that year, chapter 52, between the Canadian Northern, the Grand Trunk Pacific and the government, the value of the Canadian Northern land is fixed at \$2,625,000, upon which sum the Grand Trunk Pacific and the government, under clause 13, are to pay, in equal shares, one-half of four per cent, or \$26,250 a year each. This includes grading, levelling and filling, as at the date of the agreement; but does not include building, fixtures, tracks and other improvements and facilities. For these—which the Canadian Northern undertakes to construct and supply—the Grand Trunk Pacific and the government are to pay, in equal shares, one-half of 4½ per cent. The assumed cost is set down by the chief engineer of the Transcontinental Railway at \$2,000,000, making the amount payable by the government yearly \$22,500, or a total for the Winnipeg terminals of \$48,750.

Capitalizing an annual payment of \$48,750 at 4 per cent would make approximately \$1,220,000 which I have estimated. If I had taken it at 3½ or 3 per cent, the amount would have been much greater. I have taken 4 per cent as the agreement seems to be to some extent based on that rate. And the total of these sums is in all \$5,470,000 which I have taken as the cost of the terminals in my calculation.

So far as the Mountain section is concerned—

Mr. GRAHAM. Would my hon. friend allow me. I want to read this clause of the agreement between the Canadian Pacific Railway, the Canadian Northern and the government:

With regard to the compensation payable by the Grand Trunk Pacific and the government 'in equal shares' to the Canadian Northern
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for the joint terminals (namely one-half of four per cent on \$2,625,000 and one-half of four and a half per cent on the buildings, tracks, and facilities under clauses 5, 8, 10 and 13 (a) and (b)—clause 49 goes on to provide that, prior to the execution of the lease of the eastern division to the Grand Trunk Pacific, this compensation shall be paid by the Transcontinental Railway commissioners and form part of the 'cost of construction' of the eastern division, and for the first seven years of the lease such compensation shall be wholly born by the government; the Grand Trunk Pacific for the next forty-three years, repaying annually to the government, by way of rental, the amount of the said compensation.

Mr. R. L. BORDEN. I have not taken anything except what is in the return brought down. If there be any modification by reason of the provision just mentioned, we will find that out when the hon. gentleman comments on my statement. I take the payment of \$48,750 annually—and I capitalize that at a rate which I think could not reasonably be complained of.

Mr. GRAHAM. I may be wrong but I think that eventually goes into the cost of construction.

Mr. R. L. BORDEN. Perhaps it does and if so I shall stand corrected to that extent. I cannot say that I have thought that particular matter out and speak subject to any observation of my hon. friend in that regard.

In this connection, I should say further that I think I have omitted some charges that I might very reasonably have included. My statement had to be made up hurriedly, after getting information from my hon. friend this afternoon, and I have not included in it—but my hon. friend may and I think should include in it—the interest charges on the cost of these terminals. I did include interest on the cost of the construction of the road but had not the time to work out the interest charges on the \$5,000,000 and upwards, which are estimated as the cost of the terminals. If that is charged, my hon. friend will probably find that it will more than offset any little criticism of the character to which he has just now alluded.

So far as the Mountain section is concerned, I inquired of the minister this afternoon whether or not the sum of \$61,520,000, set forth in the return, was the cost of the whole line from Winnipeg to the coast or the cost of the Mountain section only. My hon. friend assured me that it was the cost of the Mountain section only, and I have made my statement on that basis. Seventy-five per cent of that sum amounts to \$46,140,000. As regards the interest charged in that connection, I have adopted the same basis as that to which I have already alluded. I have taken 3½ per cent in the absence of any information from the department of Finance or the Department of Railways, as