

Will Not Pay More Than Market Price.

Before proceeding to that, however, I would refer for a moment to one or two points sought to be made by the hon. member for Marquette. In seeking to prove what would be the cost of this enterprise as proposed by the government, he said we would lose one-half of one per cent for the term of the lease, being the difference between the rate at which the money would be borrowed and the rate received from the company for the lease of the eastern division; whereas everybody knows that while we have permission to pay as high as $3\frac{1}{2}$ per cent for borrowed capital, we will not pay more than the market price requires.

Mr. BROCK. Probably 4 per cent.

The POSTMASTER GENERAL. My hon. friend may be right, but the credit of Canada has never been such, since the Liberal party came into office, that we have had to pay 4 per cent. There was a time when we had to pay 4 per cent, when the hon. gentleman's friends were financing and when this country was still in the condition of stagnation and depression into which they had brought it. If they were in power to-day, we might still have to pay 4 per cent, but thanks to the intelligence of the people of Canada, they called to take charge of their affairs a competent government, so that we do not now have to pay 4 per cent. We will lose nothing in the difference between the interest to be paid on the borrowed capital and the interest we shall receive from the company; so that that half of one per cent which in the hon. gentleman's mind runs up to millions, may be wiped away as simply a vision of his imagination.

He stated that we would be obliged under the contract to expend large sums of money for the betterment of the road between Moncton and Winnipeg. The hon. gentleman, I am afraid, like the hon. leader of the opposition, **has argued without referring to the contract.** The contract does not oblige the government to spend one brass farthing on betterments after the completion of the line. If any one says that is not correct, I think the hon. leader of the opposition, who is a professional gentleman, if he had seen such a contingency, would have pointed it out.

Mr. BORDEN (Halifax). I would like to ask the hon. gentleman in what respect I misstated the contract?

The POSTMASTER GENERAL. I have no reference to the hon. gentleman.

Mr. BORDEN (Halifax). Just a moment ago the hon. gentleman said that the hon. member for Marquette, like his leader, had not read the contract. In what respect have I given evidence of that?

Question of Betterment.

The POSTMASTER GENERAL. The hon. gentleman on the 30th of July, explained that he had not seen the contract, but argued against the measure; and the hon. member for Marquette to-day alleges that this contract provides in one of its clauses what I say it does not provide. He says it obliges the government during the currency of the lease from time to time to expend capital upon betterments. Now, section 16 reads as follows: