

the Minister of Finance that because the Grand Trunk Pacific promises to pay at the end of seven years it is not a liability to the country. The liability of the country begins the moment the amount is paid. We do not know whether it will ever be returned.

We may not treat that as a liability, but though our creditors will treat our endorsement of the bonds of the Grand Trunk Pacific on the Mountain and Prairie sections as a liability, I believe that we may never be called upon to pay the interest with respect to the section from the Pacific ocean to Lake Superior. The line passes through a fertile country there, and it brings the grain to the quickest ports from which to reach the markets of the world. The development of the immense resources of British Columbia and of the prairies will require the Canadian Pacific Railway, the Canadian Northern Railway and the Grand Trunk Pacific. The Conservative party was never opposed to any proposition to build the Grand Trunk Railway in the west, and, Sir, we could have had that road running to Lake Superior for a nominal sum without loading upon the country the immense liabilities which this scheme of the government proposes. I was sorry to see the plight of the Minister of Finance when he tried to answer the statement of the leader of the opposition. He is generally clear in his argument but he floundered through in a manner which excited not my hostility but my pity. I trust that the next time the Finance Minister has a financial statement to make he will have a better subject, for to-day he showed that he knew it was desperate to attempt to refute the figures given by the leader of the opposition. The statement of the leader of the opposition stands without contradiction as to the liability of the country for this railway. The expenditure will be enormous and it is better that the Minister of Finance should acknowledge it now. It may be too late for him to halt, but he should seriously consider the curtailment of what may not be absolutely necessary in the undertaking.

Mr. W. F. COCKSHUTT (Brantford). There are three questions that presented themselves to my mind in considering this matter. First, was an honest effort made by the government to get at the real cost of this railway when the project was launched; second, what was to be the character of the work; and third, is an honest effort being made to fulfil the promises given to the country. The leader of the opposition made it clear to every fair minded man that misrepresentations were made to the parliament of Canada when this project was first commenced. I was surprised to hear the Finance Minister to-day endeavour to perpetuate the fallacies which were announced by the government

in 1903. He seems to have got this \$15,000,000 in his head yet. Just look at the Public Accounts of Canada and under date of October 31, 1907, under the signature of the Hon. W. S. Fielding, you will find this entry:

Expenditure chargeable to capital.	
Intercolonial Railway.	\$1,473,907
Prince Edward Railway.	91,210
National Transcontinental Ry..	5,537,867

This shows that the expenditure on National Transcontinental Railway is put in the same category as the expenditure on the Intercolonial Railway, and yet the Minister of Finance sticks to his proposition that all the National Transcontinental will cost the country is the interest upon the capital while the road is being constructed. Would the Minister of Finance dare to go to his bankers and borrow money on the statement that the road will only cost \$13,000,000, when even according to the Minister of Railways himself, it will cost anywhere from \$125,000,000 to \$200,000,000? The hon. A. G. Blair left the cabinet because he refused to become a party to the argument the Minister of Finance set up to-day, and as a fair and honest estimate of what he considered would be the real cost of the National Transcontinental Railway to the country he put it at \$120,000,000. All the rest of the ministers apparently disagreed with that and gave an estimate of \$13,000,000, basing it on the interest alone, but Mr. Blair, astute and clever as he was, left the cabinet because he would not accept any such argument. Such a statement from the Finance Minister is not calculated to reassure the people of Canada that the management of our finances is at present in safe hands. I doubt if the Minister of Finance in his heart believe his own statement. He cited the instance of a real estate man investing \$10,000 in a house and immediately renting it for 50 years so that it would be a paying proposition. That is quite so but he forgot that the man's \$10,000 had gone into the house just as the money borrowed on the credit of Canada has gone into the Transcontinental Railway. The Minister of Finance told us that we guaranteed the bonds of the Canadian Pacific Railway and had lost nothing and that we had guaranteed the bonds of the Canadian Northern Railway and had lost nothing up to the present. True, but he did not tell us we had guaranteed the bonds of the Quebec bridge. Will he say we will lose nothing on that? He gives two instances. I give him a third; let him take his chances on that. Two investments out of three may be good, and the third may be bad. There are many men in this country who think that the whole eastern section of this road is likely to be a gigantic failure.