

and shoo-fly side-tracks, and all the rest of it. Now, I have statements from three different sources—and one of them is from an engineer and one from a contractor—that the road ought not to cost more, as they are building it, than from \$12,000 to \$13,000 a mile—or say, to be liberal, \$4,000 a mile less than the amount guaranteed. And it will be seen at once that this is quite natural; because the contractor had to put up in cash the Dominion subsidy of \$3,200 a mile, and he may not get it, as the Dominion Parliament has not granted it yet. Of course, he added it to his contract price.

“Now we come to the conduct of the Government in the matter. In the first place, their duty under the Act bound them to take reasonable means to satisfy themselves as to the cost of the road, and to guarantee interest on that amount only, and not that until they were satisfied that the work would be properly done; but, instead of that, they simply guaranteed to the full extent to which they could go, nor have they to this day done anything in such a way as the Act contemplated to find out what the road should cost or is costing. In the second place, we have the Premier, by his own statement, spending a very considerable time, during which his expenses were charged to the Province, in arranging details about the matter that he had no business in the world to meddle with, as Premier of the Province. In the third place, as everyone knows, the information the Government furnished to the House and the country in the matter was extorted from them bit by bit, under pressure—it was worse than drawing teeth. In the fourth place, while the Premier represented himself one day as running the whole show—being the chief mover in the whole concern—he a few days afterwards answered a long string of important questions about the enterprise by saying ‘I do not know; neither have I enquired.’ In one breath, the utmost indignation if one insinuated that they were not thoroughly posted on the whole affair, so that they knew exactly what they were doing—in the next, a confession of blank ignorance of a number of most important details. In the fifth place, there is the fact that the bargain gives every cent of possible profit to the company, and

every dollar of possible loss to the Province. In the sixth place, we have the absolutely dishonest calculations put before the House and the country by the Premier. He gave in the first part of his speech a statement that the difference was between four per cent. on the larger sum and six per cent. on the smaller, which was correct, but he deducted the amount of the Dominion subsidy from the principal instead of the interest. This was wrong, of course, as the amount is to go towards the payment of interest, and does not reduce the principal sum upon which interest is to be paid. In the case of the four per cent. it makes no difference, as interest and principal are equal, the term being 25 years; but, in the case of the six per cent., it makes a sufficient difference to show the cost as less than that of the other plan, whereas it is in reality more.

“But it is when we come to the second statement—the compound interest business—that the dishonesty of the calculation shines out resplendent. The object is to make the new scheme appear the cheaper one, and so we have a calculation of compound interest on the old scheme at the correct rate of four per cent., and under the new scheme at three and a half! Of course, it should be six. And, when you come to compound interest on something over half a million for twenty-five years, the difference between three and a half and six is worth making a note of. The two per cent. for sinking fund is ignored altogether in the calculation, and the interest is figured down to three and a half, on the plea that the bonds, being in effect, Provincial bonds, will sell over par at four per cent. Well, that remains to be proved; but, if they do go over, who gets the benefit? Here is a pointer on that point. In committee on the bill, Mr. Sword moved an amendment providing that the interest should not be guaranteed at a rate greater than was necessary to realize par. The amendment was lost. Mr. Sword moved another amendment, providing that no more bonds should be issued than sufficient to raise \$17,500 per mile. The amendment was lost.”

Continuing, Mr. Brown said he hoped he had made the point sufficiently plain. What they wanted to remember was, that the real difference between the two