

themselves. I have allowed five years for the period of construction. I base that on the statement in the return brought down that the road will be completed about December, 1911, and on the information contained in the report of the commissioners of the Transcontinental Railway, dated October 9, 1906, in which they point out at page 16 that in the spring of that year contracts were awarded for a considerable portion of the road—150 miles in one contract and 244 miles in another contract—and the report proceeds to state that the work had been commenced and was in progress. Therefore the estimate of five years for the period of construction is somewhat less than I would have been justified in taking if I had adhered strictly to the official returns on which my information is based.

I have taken two and a half years as the period for which interest would be charged. That I think is the usual practice. During the period of five years the interest charges will continually increase. During the first year they will be very small. During the last year they will be very large. The custom, as I understand, is to take one-half of the period of construction and estimate interest, at whatever the rate may be, for that period. So far as the rate is concerned I have taken the reply of my hon. friend the Minister of Finance in the House today in which he says that a recent loan has been floated bearing interest at 3½ per cent. That loan was underwritten at par. I have taken 3½ per cent or ¼ per cent below the rate on the loan, as a fair interest charge during the period of construction.

With respect to the interest during the seven years during which the Grand Trunk Pacific Company pay no rental, I have endeavoured to be very conservative in my estimate. The Grand Trunk Pacific agree to pay a rental of 3 per cent after seven years. It is highly probable that during that period of seven years the interest which the country will have to pay will be at least 3½ per cent, and I think I would have been justified in making up the loss to the country during that period at that rate, but I have given the government and the transaction the benefit of the doubt, and I have made my estimate during that period at only 3 per cent, which is the rate of rental the Grand Trunk Pacific Company will eventually pay to the government.

I have observed the same course in making an estimate for the three years additional, computing the interest during those three years at 3 per cent and not at 3½ per cent. The comment and criticism may of course be made that during those three years it is possible that the Grand Trunk Pacific Railway Company, by means of the operation of the road, may show such net earnings that some portion of this \$11,000,000 will be reimbursed to the country. I would hardly think that very prob-

able; therefore, I have taken the liberty of including the whole of that as an amount which the country will have to bear in the end. If the Minister of Railways and Canals has any data or argument to show that this is not a fair way of dealing with that particular part of the transaction, he will of course submit his arguments and considerations to the House when he comes to examine the statement I have made. Looking at the character of the country through which the road runs, looking at the enormous difficulties which will confront the Grand Trunk Pacific Railway Company in operating that road during the winter, looking at the almost entire absence of local traffic during the first ten years at least, I would think it a reasonable assumption that there would be no net earnings of the road available for the purpose of paying any rental during those three years. That of course must be a matter of opinion and of argument, and to a certain extent of conjecture. However, I have taken the view that we shall be responsible for the whole of that \$11,000,000, and will not be reimbursed in respect of any part of it, and, therefore, I have added it to the other amounts included in the total cash outlay which this road will entail upon the country.

A word or two of explanation may be added as to my basis of estimate for the cost of the Quebec bridge. In 1907 my hon. friend the Minister of Finance, at page 7960 of 'Hansard,' informed an hon. gentleman on this side of the House—I think it was my hon. friend from Simcoe—that the cost of the Quebec bridge up to the 1st of March, 1907, had amounted to the sum of \$5,422,258. The details of the position of the country with regard to the construction of that bridge are pretty well set out in the return which has been brought down and in the Acts of parliament alluded to in that return. I need not go at any length into the subject at the present time. It is sufficient to say that the Quebec bridge is recognized by all parties in this House as an essential and integral part of the National Transcontinental Railway which must be pushed to a completion at as early a date as possible in order that there may be in effective operation a through line from Winnipeg to Moncton. Therefore we come to the question as to what would be a fair amount to estimate as the cost of completing the Quebec bridge. The greater part of that work has become a wreck. I do not know how far completed it was—perhaps one-half or more than one-half at the time of its collapse. I have been able to get no assistance whatever from the government in this regard, and I think I might reasonably have expected some assistance; in the absence of official information I have estimated the sum of \$9,000,000 as a fair and reasonable