

It means that in addition to the interest on guaranteed bonds and the rental to be paid for the leased lines which the Government will have to pay, and which of themselves amount to.....\$ 642,000 per annum.

There will be the deficit in the operation of the leased lines and of the line between Winnipeg and Port Arthur which, even under the favorable conditions stated above, will amount to no less than..... 463,730
making a total deficit of.....\$1,145,730 per annum,
an amount considerably larger than the total revenue of the Province at the present time.

It must be remembered that the figures given are based upon the rates now existing. What then will be the result if the rates are reduced to the figures offered by the Canadian Pacific Company?

The conditions of the Government guarantee are such also, that whilst it makes good all losses, it participates in no profit, in other words :

It takes the responsibility of pledging its credit for over \$16,000,000 in aid of a line whose profits will go to its private owners, but whose losses will be borne by the Government.

It is necessary for a moment to draw attention again to the provision of the contract under which the Government undertakes to make good any deficit should the difference between earnings and operating expenses be insufficient to pay interest.

The definition of operating expenses can be found in the Railway Act, and any one at all familiar with railway operation will understand what an opportunity such a provision as this offers for the expenditure of the Company's entire revenue in the improvement of its line, regardless altogether of any obligation to pay interest.

And what is the Government getting for the enormous liability it is assuming? IT IS GETTING NOTHING MORE; IT IS GETTING LESS than it could have got WITHOUT ASSUMING LIABILITY FOR A SINGLE DOLLAR.