

As to the question of the increased cost of the road the facts were discussed and the issue settled conclusively in 1908. In the general election of that year, Hon. George P. Graham then gave to the public an estimate of total cost which varies little from the estimate of \$161,000,000 given today. The verdict of the people was "Go ahead and finish the road up to the standard agreed upon in 1904 and we'll pay the cost." And as a matter of fact by far the greater portion of the total cost has already been paid out of the Fielding surpluses. The instructions to the Liberal Government were to build the road according to the agreement with the Grand Trunk Pacific and according to the high standard determined from the first. That was what the Liberal Government did. And that they did it honestly is proven by the fact that after a two-year hunt for scandal not a dollar was found to have been misappropriated up to the time the present Government came into power. Be it noted also that the investigating commissioners, though instructed by order-in-council to investigate the whole work of construction including the two years and more under the Borden administration, stopped investigating when it came to the work of their own friends.

The failure of the Conservative speakers to deal with the findings of the report in detail was discreetly deliberate. The specific findings were not defended because they could not be defeated. In the sweeping and general way in which most of the conclusions are drawn it is stated that the aggregate "waste" was \$40,000,000. Even allowing all the items of waste charged up by the Commissioners the total figures out at least \$10,000,000 less. Even the addition is wrong—except for party literature purposes where facts are not considered as essential.

MAIN CHARGES AND THEIR REFUTATION.

The largest item of "waste" is given as \$8,800,000, through the letting of contracts in too large sections and through sub-letting. The Commissioners state that had there been no sub-letting of contracts that amount would have been saved to the people of Canada. The instances cited in the "evidence" only total up to a little over \$6,000,000. Altogether there were twenty-one contracts let on the National Transcontinental. They average 85½ miles per contract. In each case there was competition for the contract and in practically every case the lowest tenderer, to whom the contract was awarded, was considerably below the estimate of the G. T. P. and the N. T. R. Commissioners' engineers. There was sub-letting of each contract, of course. There never was a railway built or a great work undertaken without sub-letting. The present Government is allowing it every day. The main contractors always figure on a ten per cent margin of profit. To lump all this profit, on an arbitrary ten per cent basis, and make it \$8,800,000, as Messrs. Gutelius and Lynch-Staunton do, and to say that the whole amount should have been saved hardly needs further comment to prove the recklessness of the charge.

Another main charge was that \$4,500,000 had been illegally and unnecessarily spent on the Transcona shops. On the point of law, Mr. Staunton disagrees with the Justice Department and with the Government and all its legal advisers. On the point of railway practice and expert opinion, the commissioners disagree with Sir William Whyte, one of the best railway men on the continent, and with the suppressed official report from Consulting Engineer Hodgins of New York who was asked for an expert opinion. This charge was prac-

tically admitted to be unsubstantiated by Premier Borden himself, who, however, naively declared that an expression by Mr. Lynch-Staunton of his personal opinion, even if it ran counter to the opinion of everybody else, was an evidence of his sincerity and impartiality!

By adopting momentum grades the report says \$6,200,000 might have been saved. The "saving" would have been at an expense of \$7,000,000 per year in increased operating expenses, according to official expert opinion on file in the National Transcontinental office and ignored by Messrs. Gutelius and Lynch-Staunton. The "waste" on over-classification and over-break was said, in rough and ready manner to total \$3,300,000. The Commissioners state the finding but do not supply any conclusive evidence. It is sufficient answer to say that on the J. D. McArthur contract, where the late N. T. R. Commission secured an award from the board of arbitrators deducting from the amount due the contractor \$550,000, for overbreak, the present commissioner, Major Leonard, settled for \$150,000. This additional allowance of \$400,000 to the contractor clearly indicates that neither the Government nor Major Leonard believes the statement of the Investigating Commissioners.

There was but one other main charge to which the Conservative speakers paid any attention at all, namely in regard to the alleged "rake-off" of \$740,000 which M. P. and J. T. Davis were said to have made through sub-letting a contract. The charge was that the contractors got an unduly high price by reason of the inaccessibility of the district and then delayed beginning work until the building of other sections of the road made the work cheaper. The contract, say the commissioners, should have been cancelled and re-let at a lower figure. But the evidence does not show that the Messrs. Davis were in default. They were never even questioned as to the amount of preliminary work done or required. And after careful investigation, at the request of the late President Hays of the G.T.P. and of Sir Wilfrid Laurier, the former National Transcontinental commissioners came to the conclusion that the contract could not be legally cancelled nor would the public interest be served by attempting to cancel it.

WRONG FACTS, DISHONEST CONCLUSIONS.

Those are all the main charges in the report. In each case the evidence shows that the authors of the report were wrong in their facts, and deliberately dishonest in their conclusions.

In 1904 Mr. Borden, then leader of the Conservative Opposition went down to defeat in opposing the whole project of the National Transcontinental Railway. On his banners was then emblazoned the catch-phrase: "Better a government-owned railway than a railway-owned government." The result of the whole investigation—the accumulated evidences of the deliberate attempt to injure the people's road and the credit of the Grand Trunk Pacific, the degrading of the line from Cochrane east under the present Government, the shadow of the C. P. R. over the whole report—all emphasize the truth of that phrase so unctuously used by Mr. Borden in 1904.

The debate has its chief importance in impressing upon the people the great issues as to whether the National Transcontinental shall become what Parliament and the people of Canada intended it to become or whether it shall be from Cochrane east merely a local road to suit the interests of the C.P.R. and to serve the political piracy of a railway-owned Government.