

My right hon. friend (Sir Wilfrid Laurier) will remember that at the time the letter was received I immediately took it to Council to show that the contention of the Grand Trunk Pacific Company on that particular point had been conceded by them. But, even on this, let me see if my contention is not admitted by the chief engineer. He takes first the Leonard shops as not completed. The Leonard shops are to be part of the work as completed; everybody admits it. If they are not, then the Transcontinental Commission should not be charged with them. It may be possible to operate the line partially without these shops, but they are part of the scheme under the agreement; there can be no question about that. Mr. Grant then says:

The Leonard shops, Quebec, are not completed, but we ought to have them available by the time they are required.

They are certainly not available now; they will not be available for a month after the shop buildings are completed, as they have to be fully equipped, which is no small task; and no person will contend that these shops will be ready for months and months yet. Mr. Grant admits that this part of the equipment of the line is absolutely uncompleted.

So this is the position. The branch lines of the Leonard shops will not be required until the shops are sufficiently completed to be used. First, the shops are not ready and will not be ready for a good many months; and secondly, the line is not ready, but it will not be needed until the shops are ready. That reminds me of the old story that so many of you have heard about the school board down South that met to discuss the question of erecting a new school-house. First, they resolved to build a new school-house; secondly, they resolved to build a new school-house out of the logs of the old school; and thirdly, they decided to continue to use the old school-house while they were erecting the new one. And so it is with these shops. The shops are not completed, but they will not be needed until the road is ready; and the road is not completed, but it will not be needed till the shops are ready. That of course is not an answer to the question, Is the road completed? I think that is very clear, so far as Mr. Gordon Grant is concerned. He admits this part of the scheme is not complete. Then there is a letter from the Solicitor General just forwarding this correspondence. These accounts were referred for audit to Mr.

W. C. King and Mr. Graham Bell. Mr. Bell is head of the auditing branch of the Department of Railways and Canals, and there is not a better man in the service of the Dominion in any department. Let me just read their letter:

Ottawa, March 23, 1915.

Dear Sir,—Referring to the Order in Council of February 3, 1915, appointing the undersigned to make an audit of the eastern division of the Transcontinental railway.

We beg to call your attention to a letter received from the Solicitor General, a copy of which is hereto attached, from which it appears that the "cost of construction" of the eastern division as completed on the 31st December, 1914, within the meaning of section 20 of the agreement scheduled to the Act of 1903 should not include expenditures made on and in respect of certain works which were still under construction. The result will be that the "cost of construction" as a basis upon which to ascertain the rental to be paid by the Grand Trunk Pacific Railway Company at this date will be very considerably less than the actual cost upon completion of the said additional works now under way.

Is it your desire that our report should include the statement of such actual cost as well as the "cost of construction" as so limited?

Yours respectfully,

(Sgd.) Graham Bell,
(Sgd.) W. C. King.

Hon. F. Cochrane,
Minister of Railways and Canals,
Ottawa, Ont.

These gentlemen when asked to audit these accounts immediately pointed out that the accounts they were asked to audit did not cover the full cost of the Transcontinental, and that the rental computed upon those accounts would be considerably less than the amount which the country ought to receive on the full cost of the construction of the road when completed. The next is a letter from the Minister of Railways to the Solicitor General enclosing the report prepared, I think, by Messrs. Bell and King. On the 25th of March, just a few days ago, the minister wrote another letter to Mr. Chamberlin in which he urged the railway to action. I believe that no reply has been received to that.

Mr. COCHRANE: No.

Mr. GRAHAM: I will read the letter, as it is the last one sent to Mr. Chamberlin.

25th March, 1915.

Dear Mr. Chamberlin,—As intimated to you in previous correspondence, the eastern division of the National Transcontinental railway is completed within the meaning of section 20 of the agreement between His Majesty the King and the Grand Trunk Pacific Railway Company, dated 29th day of July, 1903, scheduled to the National Transcontinental Railway Act, chapter 71 of 3 Edward VII, and the said division is ready for operation.