

ten reports of the various engineers who have traversed the district, I had arrived at the conclusion that the cost of construction should not exceed \$25,000 per mile.

As to the section between Quebec and Winnipeg, I considered this section on the assumption that the line would probably follow the height of land from a point some distance from Quebec to a point north of Sudbury, and thence to Winnipeg, passing north to Lake Nipigon. I availed myself of the information contained in various engineer's reports on surveys made of the country lying between the neighbourhood of Sudbury and Winnipeg, and the conclusion I reached was that the cost of construction need not exceed \$28,000 per mile, and I so informed Mr. Fielding.

I would say that I am still of opinion that a road of the standard above indicated can be constructed at these figures.

I have the honour to be, sir, Your obedient servant,
COLLINGWOOD SCHREIBER, *Chief Engineer.*

Hon. gentlemen will observe that Mr. Schreiber is dealing with a road of less severe grades and somewhat better in its character than the Intercolonial; but not wanting to be confined to a road of that character and wanting to allow a liberal margin for a better road, I added in both cases twenty-five per cent to the first estimate making my calculation \$31,250 per mile from Moncton to Quebec, and \$35,000 per mile from Quebec to Winnipeg.

MR. BORDEN'S EXCESSIVE ESTIMATES.

In conversation with Mr. Schreiber I asked him whether he considered the allowance I made in that estimate a liberal one, and he said that he authorized me to say that he did; and I heard a prominent railway contractor say that he would be very glad to take contracts under these circumstances. So I think my hon. friend has magnified his first cost in that respect; and if he gets an excessive first cost, it follows that he gets an excessive cost for interest; and so, having started wrongly, he gets astray in the whole calculation. An hon. friend suggests that perhaps I should ask my hon. friend at a later stage to give us his expert who says that it cannot be done under \$40,000 a mile. We will hope to receive that. I find that the hon. leader of the opposition has estimated the Quebec-Moncton section, 400 miles, at \$40,000 a mile, making \$16,000,000; a fair estimate would be, 400 miles, at \$31,250 a mile, \$12,500,000; excess of Mr. Borden's estimate, \$3,500,000. My hon. friend's estimate of the section from Quebec to Winnipeg, 1,475 miles at \$40,000 a mile, amounts to \$59,000,000. A very liberal estimate would be 1,475 miles at \$35,000 a mile, or \$51,625,000; showing an excess in Mr. Borden's estimate on that section of \$7,375,000. So that the excess of my hon. friend's estimate of the cost of the eastern division from Moncton to Winnipeg, amounts to \$10,875,000; and of course if my hon. friend puts that into his capital account, he immediately proceeds to put in a sum for interest based thereon; and so one wrong step leads to another, and so he gets astray in the whole calculation. My estimate of the cost of the eastern division is as follows:

Interest during construction capitalized	7,031,975
Capital account, actual outlay	\$64,125,000
Total capital account	\$71,156,975

There is a question about the three years' interests which is to be paid if the road earns it; and if it does not earn it, it is to be capitalized and carried into the capital account. The hon. leader of the opposition takes for granted that it will not be earned, and he simply adds it to his account. Whether it is earned or not, it is at the most only an investment, on which we receive interest.

THE QUEBEC BRIDGE.

But worst of all is the statement which the hon. gentleman makes in regard to the Quebec bridge. Last year I dealt with that matter at a time when there had been no special legislation with respect to it. It was a fair question for debate what the relation of the Quebec bridge was to this transcontinental scheme. For convenience of calculation I put into my statement \$2,000,000 as the proportion fairly chargeable to the eastern division for the Quebec bridge. I stated at the time that I thought that was too liberal, and that I would not like to be tied to that amount, in the future. But my hon. friend the leader of the opposition is not content with that liberal allowance; he coolly carries to the outlay on this transaction the whole issue of bonds for the Quebec bridge. On account of the bridge he carries into his calculation \$6,978,319, of which \$6,678,200 is for the issue of bonds and \$300,519 for interest. Now, I do not hesitate to say that nothing could be more grossly unfair than the insertion of that item in the hon. gentleman's calculation, and I am sure that when the matter comes to be considered, my hon. friend will be shocked at his own conduct. The fairest way would be to leave the Quebec bridge out of the transaction altogether. It is not a matter arising out of this transcontinental scheme. The Quebec bridge project has been before the country for some years. It has been acknowledged as an obligation by both political parties. Several years ago, before this govern-