

and we own not a foot of the Canadian Pacific railway.

I want to clear up another point which has been raised, and that is as 5 p.m. to what was meant by the free rental period of seven years given to the Grand Trunk Pacific Company. I say it was a subsidy pure and simple, and should be treated like every other subsidy. It should be treated as an outright gift on which no interest is to be calculated, as no interest was ever calculated on any subsidy given to any other company. I am going to ask the House to take a leading authority for this opinion also. Speaking of the Transcontinental railway in this House, a gentleman named the Hon. Mr. White, Minister of Finance of Canada, said:

The Government of Canada undertook to build that line (the Transcontinental), and from the day it was undertaken by the Grand Trunk Pacific Railway Company, their interest ceases for seven years. The Dominion of Canada loses three per cent upon \$175,000,000, and money is worth more to-day to the Dominion of Canada than three per cent. But take it on that basis, and you have a direct subsidy to the Grand Trunk Pacific Company of \$5,000,000 per annum, or \$35,000,000 for seven years.

The Minister of Finance of Canada, in his statement before this House, treated the seven year rental free period of the Grand Trunk Pacific Railway Company just as I have treated it, namely, as a subsidy, and there is no other fair way to treat it in comparing it with other subsidies to other companies.

Some gentlemen have said that owing to the high cost of this road it would be impossible to operate it at all; others have said it could not be operated at a profit. We were told by the acting Minister of Railways that it would be a burden on the people. I pointed out last night that the head of the commission, Major Leonard, who is building this so-called burden on the people, said it is not a burden on the people at all, but an asset. I can place before the House a few figures that will show, that with the estimate of traffic, given by Mr. Tye himself to this commission, trains can be operated from Winnipeg to Moncton, not only to pay the running expenses, but at a small profit, or at least some profit to the Grand Trunk Pacific Railway Company. That is, if the standard of the road is placed back where it was in 1911. Mr. Tye, in his evidence before the commission, gives an estimate of the probable traffic to be expected between Winnipeg and Quebec. This

[Mr. Graham.]

estimate is very conservative, but it will answer the purpose. As Mr. Tye gave no estimate east of Quebec, the same number of trains per day has been assumed between Quebec and Moncton as between Quebec and Cochrane, namely five per day. This gives an average for the whole line from Winnipeg to Moncton of 8.5 trains per day, both ways. I had an estimate given me a day or two ago, of eight trains per day, but this is an estimate worked out on Mr. Tye's own estimate of the traffic.

Mr. AMES: Eight trains each way?

Mr. GRAHAM: I have said that I speak of a total of 8.5 trains per day. I want to explain here that local trains will interfere perhaps with the calculation one way or the other. There will be local trains from Cochrane east, and local trains perhaps from Cochrane west. On the Temiskaming and Northern Ontario there will be freight going west from there, and freight coming east, in, and down that line. They are not through trains but they are taken at an approximation and calculated as equal to through trains, by a practical railway man, and based on the figures given by Mr. Tye himself. Railway statistics of the United States and Canada indicate that a charge of \$1.65 would be an ample amount to allow as the cost of running a train a mile over this road, or a total charge of \$3,000 to run a train from Winnipeg to Moncton, or a total charge of \$25,500 to operate the 8.5 trains over the line each day. Over a road of this standard, an average of 1,000 tons per train is a conservative allowance, and I might say that these trains, if the road is left up to its standard, could carry 2,000 tons just as easily almost as 1,000 tons. Indeed, one of the standard locomotives could haul more than 2,000 tons, and 2,000 tons is a very moderate estimate, and Mr. Leonard himself put the estimate at 1,600 tons. For the purposes of this calculation, I will say that these trains would average 1,000 tons, and that makes a total tonnage of 8,500 tons per day.

The latest returns of the Canadian Pacific railway show that the average gross revenue per ton per mile is in the neighbourhood of three-quarters of a cent per ton. As a considerable proportion of the Transcontinental tonnage will be wheat, a lower average should be taken, say, one-half cent per ton, or \$9 to transport a ton from Winnipeg to Moncton. I want to explain that this is the average. There is much of the traffic that will pay a much higher average than that, and much of it will pay a lower rate.