

Now, here is the Michigan law. Both parties, irrespective of politics, decided that the charges in that state for passenger traffic were too large, and that a reduction ought to be made in the passenger traffic rates, as well as in freight rates. After agitation in the community and in the papers, the legislature passed this law :

For a distance not exceeding five miles, three cents per mile ; for all other distances, for all companies, the gross earnings of whose passenger trains, as reported to the Commissioner of Railroads, for the year 1888, equalled or exceeded the sum of three thousand dollars for each mile of road operated by said company, two cents per mile, and for all companies, the earnings of whose passenger trains reported as aforesaid, were over two thousand dollars and less than three thousand dollars per mile operated by said company, two and one-half cents per mile, and for all companies whose earnings are less than two thousand dollars per mile, three cents per mile.

That law applies to every railroad in the state, with the exception of one or two in the northern portion, where the earnings do not come up to \$3,000 per mile per annum.

Mr. HEYD. If that Michigan law was applied to the railways in Canada, how many would come under its operation ?

Mr. MACLEAN. Well, I will tell him of one.

Mr. HEYD. And that is all ?

Mr. MACLEAN. I will give him a case, it shows the great effect of the law of competition to obtain the rights of the people. The Michigan Central, by its returns to parliament here, shows that it earns over \$3,000 a mile, and it therefore comes within the Michigan law. If we stated by an Act of parliament here to-day that any railroad earning \$3,000 a mile for passenger traffic in a year was to give a two-cent a mile rate, irrespective of the fact whether the Grand Trunk or the Canadian Pacific Railway earned that much, they would all have to come to it. They would each give the two-cent passenger rate. In New York the New York Central was forced to do it over their road. Now, I cannot accept the figures in the parliamentary returns for Canada, and I have not seen the latest ones in those returns. The Canada Southern, according to its mileage and passenger earnings, earns \$3,607 a mile in the year ; the Grand Trunk earns \$2,073 ; the Canadian Pacific Railway, \$1,261. I worked this out from the figures. Of course, the hon. gentleman can argue that because they do not come up to the Michigan earnings they should not be interfered with.

My answer to that is this : It has been proved in the United States that the earning capacity of a road does not go down because the passenger rate goes down, but that on the contrary, the experience in every case is that a reduction of the passenger rates stimulates travel and increases

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the earnings of the railway company. That is the point I wish to make, and I think if I have established that, the case is proven. If I have to go to a populous state for the proof of it, if I have to go to New York state and quote the results of the operation of the leading railway in the United States it may be said that this is an unfair comparison because New York is a populous state. Certainly, I answer, it is a populous state, but it is also populous in railway mileage, if I may so express it. There are thousands and thousands of miles of railway in the state of New York alone, and there is a great amount of railway competition in that state. But, I have for my contention the authority of the New York Central, of its passenger agent, and of its policy. Its policy above everything else goes to prove that when you reduce the passenger rate you stimulate travel and increase the earnings of the company. Some people will ask : If that is the case why do they not reduce the rate of their motion ? I do not know why. Such action on their part is never voluntarily taken. You have always to wake up people to the demands of the public in order to get a reduction in anything. They have always argued that it would be against their interests to reduce the rates, but experience has invariably shown that when you reduce the cost of an article you increase the consumption of it, and everybody gets the benefit of it.

Hon. Mr. ROSS (Victoria, N.S.). Free trade.

Mr. MACLEAN. My respected friend from Victoria, N.S. (Hon. Mr. Ross) bears me out in that, no matter what we may call it. We have only to go to the Post Office Department for another proof of it. In the Post Office Department every time the rate of postage has been reduced the public have derived the benefit of the service and the post office earnings have increased. Another splendid instance is the case of the telegraph service in Great Britain. There was a time when you only got ten words for a shilling. They cut the rate in two and doubled the wordage ; that is, they made the rate sixpence and gave you twenty words at that rate with the result that it has proved a profitable business both for the people and for the post office service. There have been some deficits, but it should be remembered that the number of offices has been very much extended.

Hon. Mr. ROSS (Victoria, N.S.). The deficits have been caused by newspaper rates.

Mr. MACLEAN. Yes, they were caused by the newspaper rates. But, there is another instance of the effect of the reduction in rates, and the reduction in these telegraph charges was brought about by legislation. Of course, in England the government control the telegraph service, but they found it advantageous to the people and advantageous to the revenue of the post