

Mr. MULOCK. What would be the effect on the price of flour to the consumers in the Maritime Provinces, if there was a slight increase in the freight charges from the west to the east and from the east to the west?

Mr. KENNY. I think the hon. gentleman must have been in the House some years ago when this question was discussed before, and when it was pointed out that this all-rail rate on flour is a competitive rate, and that, if it was not transported by the Intercolonial Railway, or the Grand Trunk Railway, or the Canadian Pacific Railway, the flour would be carried by American railways to Boston or Portland, and would thence be transhipped by water at as low a through rate as is now charged over the Intercolonial Railway. But my contention is that it is better for Canadian labour that we should endeavour to keep this transportation within our own country. I have further to say that, if we could obtain positive information from the Intercolonial Railway returns, as to the quantity and the value of manufactured articles which are carried from points west of Chaudière to and from the Maritime Provinces, we would see that for every \$100 in value of the produce or export of the Maritime Provinces that go west of Chaudière, we receive at least \$1,000 from the Provinces of Quebec and Ontario, showing that the Intercolonial is more beneficial to the manufacturers and millers of Ontario and Quebec than to the people of the Maritime Provinces. In regard to the quantity also, I am sure that, if we had an exact statement of the quantity of freight from the Maritime Provinces carried west of Chaudière, and the quantity carried from the part of the country west of the Chaudière to the Maritime Provinces, it would be shown that the amount carried from the west to the east exceeded very largely in quantity as well as in value the amount carried in the opposite direction. I am not inclined to find fault with this condition of things, nor, I believe, are the other hon. gentlemen who represent the Maritime Provinces. I make this statement in contradiction to the assertion very boldly made, that the expenditure on the Intercolonial Railway is incurred solely for the benefit of the people of the Maritime Provinces. The hon. gentleman from North Wellington (Mr. McMullen) referred to the fact that Canada has spent on this Intercolonial Railway something like \$53,000,000. Well, the hon. gentleman might have told us, too, that Canada has spent \$55,000,000 in constructing canals, not one mile of which is in the Maritime Provinces. I am proud to say here, as a member of this House, and as a Canadian, that I have never heard in this House or on the public platform in the Maritime Provinces, a representative or a public man find fault with that expenditure. Very recently we devoted a whole evening to the consideration of canal matters, and estimates were passed involving the expenditure of a very large amount of public money, and it was voted without complaint from the members of the Maritime Provinces, because we recognize that in the development of this new country of ours, it is necessary, it is wise and expedient, that we should encourage the development and improvement of the watercourses. I say that hon. gentlemen from the Provinces of Ontario and Quebec should treat this Intercolonial

Mr. KENNY.

Railway expenditure in the same way as the people of the Maritime Provinces deal with the expenditure upon canals. I share the general sentiment that every reasonable and proper effort should be made to the reduction of this deficit. The hon. Minister of Railways in the course of his remarks, has given us certain reasons which he thinks explain the cause of this deficit. Of course, he is entirely guided by his officers, because the hon. gentleman, since he has assumed the duties of administering the Department of Railways, has not had an opportunity of visiting the Intercolonial Railway, and, therefore, he does not speak of his own personal knowledge; but he has given certain reasons as the causes of the deficit. I will take the liberty to point out to him that there may be another reason to which, if I followed him correctly, he has not made reference, and that is the position of the Intercolonial Railway between the Atlantic on the one side, and the Grand Trunk Railway and the Canadian Pacific Railway on the other side. A very small amount of the through freight which the Intercolonial Railway carries, initiates in the Maritime Provinces. The larger quantity of the through freight is from west to east, and the contract initiates with the Canadian Pacific Railway or with the Grand Trunk Railway, and the Intercolonial Railway is obliged to take such rates as these railways may in their wisdom think desirable, and very often it is a low one, it is a competitive rate. The Intercolonial Railway is allowed a mileage rate, but if the Intercolonial Railway should consider that it was in its interest to make a contract for certain freights from east to west at low rates, I am given to understand that these railways, the Canadian Pacific Railway Company and the Grand Trunk Railway Company, refuse to carry it at a mileage rate. Therefore, the Intercolonial Railway, with the Atlantic on one side and these railways on the other, is literally between two devils and the deep sea. I think that another cause of the deficit on the Intercolonial Railway is due to this fact, that before we had an Intercolonial Railway, before we had even the Short Line, emasculated as it is, before we had any railway connection between the Provinces of Ontario or Quebec and the Maritime Provinces—I mean before Confederation—the old provinces of Canada had an arrangement for the transportation of their mail service during the winter months by way of the foreign port of Portland, and that still continues. The transatlantic steamship companies which have subsidies from the Canadian Government during the winter months carry their cargoes to the foreign port of Portland, to the immense advantage, of course, of that port, but to the detriment of our own Canadian seaports, and to the detriment of the Intercolonial Railway, which would otherwise have the transportation of this European freight if our own winter port were utilized. It would really seem as if this Parliament imagined that Canada had no outlet to the sea except the St. Lawrence, and I think that the sooner we wake up to the fact that we have, in the Maritime Provinces, ports which are open all the year round, and which have railway connection with the rest of Canada, the better it will be for the country, for the extension of our national sentiment, and for the Intercolonial Railway. The hon. Minister of Railways in giving us his programme of proposed changes, told us that the deficit of last year amounted to something like \$680,000. I am told—I have not had time to