

It is apparent, therefore, that given the same efficient management and the same close attention as the Canadian Pacific Railway, the Government system instead of having a deficit of \$47,000,000 would have had a surplus of \$30,000,000. The deficit on the Intercolonial railway amounted to four and a half millions, something unprecedented in the history of that road in the long period which has elapsed since Confederation. If we compare the operations of the Intercolonial with those of other railways we are forced to the conviction that the adverse showing of the Intercolonial is four hundred per cent larger than it should have been. I do not intend to saddle the men who are at the head of that railway with the entire responsibility for this, or say that they should be dismissed on the ground of inefficiency. But I do maintain that there is good reason for asking the Railway Commission, through this Parliament, to be very careful and ponder well over the situation before they decide upon sanctioning an increase of rates on the Canadian railroads at the present time. A short time ago I saw a statement in the press—whether it was authorized or not I cannot say—to the effect that the chairman of the Railway Commission had stated that it was most likely ere long that the railway rates in Canada would be increased. That statement has had the effect of forcing public opinion in Canada to study the question of freight rates which hitherto it has not done. In former times when there was a deficit on the Intercolonial of from \$200,000 to \$500,000 people in the upper provinces—more particularly those in Ontario—were wont to raise a great outcry, those deficits, according to the Drayton-Acworth report, having reached a total of \$10,000,000 in the course of twenty-seven or twenty-eight years. The administration of the Intercolonial at that time was criticised because the people referred to claimed that the railway was controlled by political agencies in the Maritime Provinces and more particularly in the province of Quebec. But, if we compare the management of the Intercolonial under the Liberal regime—under ministers like Mr. Blair, Mr. Emmer-son and Mr. Graham—when it was no uncommon thing to have a surplus it does not seem logical to throw stones at Government operation. What a contrast it presents to the unfortunate financial results we now see under management by a com-

mission which is supposed to be untrammelled—or at any rate less influenced—by the politicians of the country. The question of freight rates is a very important one in this country, particularly when we have regard to the extent of our territory and the distance that our products must travel before they reach the ocean ports through which they are shipped to European countries. Again, products which are brought to this country have to be transported thousand of miles from the coast before they reach the consumers of the West. Then, we have a country to the south which has a population thirteen times as large as the population of Canada, and the wealth of which is twenty or twenty-five times greater than the wealth of Canada. Moreover, their natural facilities for the transportation of their western products are superior in many ways to ours. The United States are making every possible effort to reduce freight rates—particularly on those railroads which carry the wheat and other grains of the western states to ocean ports—in order that their farmers may get the greatest benefit from the markets of the world. They are making every effort to transport their products by water instead of by rail, in order to secure the advantage which would naturally accrue therefrom to their producers. It is time that Canada considered this question, not from any political standpoint but from the vital national standpoint, in order to bring about the most advantageous results for our producers, whether they be farmers or manufacturers. I have always advocated the Government control and operation of railroads. But I will tell the minister, if he will listen to me for a few moments, what, in my opinion, is the chief purpose of Government operation. Those who have advocated the Government operation of railways during the last five or six years have naturally claimed that such operation is necessarily in the interests of the people. Private operation is for the benefit of a few moneyholders whose chief object is to make profit in the construction and operation of railroads. On the other hand, Government operation is not for profit, it is for the benefit of all the people; its purpose is not to create surpluses, but to give the people of the country the best possible service at the lowest possible rate. Our railroads; they have been acquired by the Government not so much because of the adoption of the principle of public ownership, but because their acquirement was a matter of necessity. I have opposed some