

people of the Maritime Provinces have never complained of the way in which the canals have been worked.

Mr. SPROULE. Certainly I have no disposition to misrepresent the hon. gentleman. The inference I drew from his remarks was, that as the Maritime Province people did not complain because the canals were operated at a loss, therefore Ontario people should not rise and complain of the Intercolonial loss. But the hon. gentleman was kind enough to tell us that when the railway was being run at a loss and the country was paying the additional expense required, over and above its earnings, it was not alone the Maritime Provinces which benefited, but the people of the other provinces as well; in proportion as freight came from the Upper to the Lower Provinces, just in proportion did the people of the Upper Provinces benefit by the road. Then he went on to show that the amount of freight carried from the Maritime Provinces, largely coal, is very small in proportion to the freight carried from the Upper Provinces. If that is correct, I presume the hon. gentleman and his friends would not complain if some means were adopted, as by raising freight rates, to make the road self-sustaining, because, if his argument is sound and logical, and it seems reasonable, the people of the other provinces will sustain the loss, if loss there is, in proportion to the freight carried over the road from those provinces. The hon. member for King's (Mr. Borden) said that it appeared that this road loses in proportion as we extended the length of it; in other words, the loss is in proportion to the length of the road. For the last year of the Mackenzie Government, 1877 or 1878, there was a deficit on the road of between \$500,000 and \$700,000, pretty much the same as to-day; it may be a little larger to-day, but I do not think the increase is in proportion to the length of the road. Therefore, in some respects the road must be better managed to-day, or more paying freight must be carried over it than at that time. I do not refer to this matter for the purpose of endeavouring to prove that mismanagement, if mismanagement there is, was confined to the Mackenzie regime. I believe there was an honest effort made to run that road, and make it a paying road for the country, as I believe such an effort is made to-day. I have always held that a Government can never run a railway as economically as a private corporation, or put up the freight rates in order to make it pay, as a private corporation will do; but because the road has been run at a loss for so many years, an impression has been created in the country that it might be desirable to give away the road to some company and let them run it, if the Government cannot run it except at a loss. The result would be the same as occurred when a private corporation takes over a non-paying road. They would set about to inaugurate a better and more enterprising system; they would engage men better calculated to run the road successfully, but the most important part of their duty would lie in increasing freight rates so as to make the road pay. That would be the course taken by any company that would take over a road. Why should not the Government do that to-day? Why should we allow the road to be run at lower local and through rates than is charged on any other railway in the

other provinces? It seems that it is run as economically as the other roads, but freight rates are not charged as on other roads. The Government should take this matter into their consideration. I am sure the Minister of Railways has shown a commendable desire to make himself acquainted with the condition of affairs on the road, and if possible make it more profitable in the future than in the past. He has taken a step in the right direction. Some hon. gentlemen complain because he proposed to dismiss a few hundred employes; but I was glad to hear the hon. member for King's (Mr. Borden) say that if he dismissed a few thousand men, if their services could be dispensed with, it would be all the better. Every member from the Maritime Provinces, instead of opposing the hon. Minister's proposal should support it, because every man not needed on the road should be dismissed. When this has been done the Minister should go further and raise the freight rate to the same rates as are charged on the Grand Trunk Railway and the Canadian Pacific Railway, and other railways in the country, and if he will do that he will find in a short time that the Intercolonial Railway will, like other railways in Canada, become self-supporting.

Mr. FRASER. I am glad this discussion has taken such a wide range, and I naturally feel considerable interest in it, coming as I do from Nova Scotia. Two or three matters have been made very plain from the statement of the Minister. First, he has shown clearly that there should be no dismissals; and second, that there should be no decrease in the trade. He has shown most conclusively, if his figures are correct, that, according to its mileage, the Intercolonial Railway is the cheapest road operated in Canada. I see no reason, that being the case, why men should be dismissed, and why the train service we have now should not be curtailed. We cannot help it if there is not a trade—we were promised a trade; and I see no reason, if the road is run cheaply, as the Minister has attempted to show—I will come later to the statement published by the Government which shows that the hon. gentleman is not correct—why men should be dismissed, if they are necessary, and why we should have less accommodation. I do not agree with the last speaker that this road must be tested on purely business principles. The length of the road, the variety of climate through which it passes, and the articles which must be carried, make it impossible to bring it down to business principles.

Mr. SPROULE. It is the same with the Grand Trunk Railway and the Canadian Pacific Railway.

Mr. FRASER. The Grand Trunk Railway built their own road, and the Canadian Pacific Railway built their road with the assistance of the Government. This road was built to connect the provinces together, with the full understanding, not that it was to be a paying business, but that it would be of advantage to connect the provinces forming the Dominion.

Mr. SPROULE. It was never contemplated to be run at a loss.

Mr. FRASER. If it was not in the mind of the hon. member, it was certainly in the minds of those who carried out Confederation, and the