

road nor dance, for the hon. gentleman will recollect that it was for a good consideration the route was adopted which the Imperial Government desired.

Mr. MILLS (Bothwell). Hear, hear.

Mr. TUPPER. The hon. member for Bothwell says "hear, hear." He doubts the accuracy of my argument or the strength of that point. But he will remember that at that time Canada considered it necessary to obtain an Imperial Government guarantee in order to raise the money for the construction of the road, and there was correspondence extending for years, if I mistake not, previous to Confederation, certainly on the part of the late Hon. Joseph Howe, as a member of the Government of Nova Scotia and Colonial Secretary, in order to obtain the aid afterwards given at the hands of the Imperial Government. There was no evidence of the slightest ability on the part of the different provinces to construct the road, and it was not contended that the road be constructed as an Intercolonial road without that assistance. I refer to that part of the history for another purpose. We have larger ideas now as to what a road should do, as to what business it should produce, than the people or statesmen who managed those matters 20 or 30 years ago entertained. I think it is justifiable, in view of the remarks made to-night respecting the deficit, to look back and see what was expected when this road was undertaken by a population much smaller than ours, by scattered provinces with means not half so large, and with credit not nearly so high as that of Canada to-day. It is pleasing to look back and see exactly how they estimated the work, and compare that estimate with the result stated to-night, and see whether after all we have not done better than was expected. For instance, in the correspondence to which I alluded between Mr. Howe and the Colonial Secretary at that time in England, both of those statesmen took this view of the Intercolonial Railway, or a railway connecting the different provinces, that it was so necessary to the welfare of those provinces and to the people of North America, that it was wholly immaterial whether it would pay or not, and the Colonial Secretary in a very able despatch pointed out that it could not be expected that the road would ever pay, and perhaps it was not desirable that it should be managed for revenue purposes, and both statesmen dwelt on the tremendous and unlimited advantages accruing from the operation of a railway by the Government for the people and in the interests of the people of the different provinces. If there is loss or deficit, where does it go, except practically back to the people, and is not taken out of trade. The trade east and west is bonussed or aided to that extent, and there is no such loss—although I am not giving my view on the amount—as is represented by the large figures quoted when reference is made to the annual deficits on the Intercolonial Railway, if the deficits are not due to corruption or mismanagement of the character referred to, but are on account of the low rates that are charged upon the freight over the railway. No one has attempted to establish that the carrying over the Government road of goods without charging paying rates is a loss to the country. Hon. gentlemen are no doubt aware that at present there is a very interesting discussion being

Mr. TUPPER.

carried on in the English reviews involving a proposition of State ownership of English railways, and the argument is based on the ground of the benefit it will be on account of the enormous sums which are at present taken out of the trade and business of England being left in the hands of those industries, which would be a great benefit to that country. At all events, that is a matter worthy of consideration. We find that the United States are about to appropriate enormous sums to subsidize steamships. We have appropriated half a million dollars in order to subsidize an Atlantic line of steamers to carry passengers and freight from this country to Great Britain. The subsidies proposed in the United States are enormous. All these are based on the same principle as the construction of this road, the creation of a great traffic which will benefit the whole country, even though we may pay in the shape of a deficit. No doubt, it is important in the interest of the country to keep down the deficits. But in considering this question I submit that the question of the canals must come up with the question of railways. The hon. gentlemen have forgotten that we lose about \$100,000 a year in the operation of the canal system. If it is a wise thing to run a railway controlled and owned by the Government on commercial principles and charge paying rates, the question of the canal system must be taken up and considered side by side. It would not be tolerated, I do not think it would be contended, that we should adopt one system for the Government railways and another for the canals. The object of both seems to be the same—to benefit the commerce of the country and develop interprovincial trade; and if the Government are unable to manage the Government railways because there is an annual deficit, the same argument will lie, and the Government must be called upon to abrogate their functions respecting the canal system and hand them over to a corporation or a commission. I think that the question will have to be approached in that way. Now, then, we have the opinion of Mr. Potter, who was a great authority in connection with the Grand Trunk Railway system of this country, and we have the opinion of Mr. Brydges, and the opinions of these gentlemen enabled the hon. member for South Oxford (Sir Richard Cartwright), when Minister of Finance, to take the country into his confidence and to tell them that instead of the comparatively satisfactory result which has been mentioned to-night in connection with the operation of the road which the member for St. John (Mr. Hazen) has pointed out, that the country was to be prepared for a loss of half a million a year on the Intercolonial Railway. In 1875 or 1876, I forget which, the hon. member for South Oxford (Sir Richard Cartwright), as Minister of Finance, advised Parliament and advised Canada that they were to expect a loss of half a million a year on the Intercolonial Railway. No matter how this question may be dealt with, or no matter what the country may deem wise as to the steps to be taken, they have reason to congratulate themselves that the statement then made as to the annual loss was above the mark rather than below it. Mr. Brydges and Mr. Potter, one a commissioner in connection with the road, and the other connected with the Grand Trunk Railway system, both gave it as their opinion that the road could not be run at a loss less than half a million dollars