

point such as Moncton, where he would be accessible at all times to the business men of the country, and where he would have a more intimate and personal supervision of the road than he can have at the city of Ottawa; and if that course is adopted, I believe it will be in the interest of the country as well as in the interest of the section through which the road itself passes.

Mr. CAMPBELL. Before the item is carried, I want to say a word or two on this subject. I am sure the House will not regret the time that has been spent this afternoon in discussing this question which is of so much importance to the people of this Dominion. The fact that a railway which has cost the people of this Dominion some \$50,000,000 of hard money is being run at a loss, amounting to over \$640,000 last year, and which will reach \$1,000,000 this year, certainly justifies the serious attention of this House. It has been stated that this road was never intended as a commercial enterprise, but that it was built rather to carry out the terms of Confederation, and as a military road, and not with the idea that it should pay its working expenses. Now, whatever ideas were at the time in the minds of those who undertook the construction of the road, I have only this to say, that if by running it on commercial principles it can be made to cover the running expenses, and instead of producing large deficits every year to return dividends to the Government, it certainly is in the interest of the people that it should be so run. But I have been very much amused to hear the reasons which have been advanced during the last few hours by the hon. gentlemen who have addressed the House why a deficit exists. The hon. senior member for Halifax (Mr. Kenny) attributes its entirely to the fact that flour, wheat and coal are carried at too low a rate, and the natural inference would be that if we want to make the road pay, we must raise the rates of freight on these articles. This view of the case, however, does not suit the hon. member for Westmoreland (Mr. Wood) or the hon. member for Pictou (Mr. McDougald), or the hon. member for St. John (Mr. Hazen). They do not want such a thing as that to occur. No; it would be a heinous thing for the Government to undertake to raise the rates of freight on these articles, knowing as they do that the effect would be to enhance their price to the people of the Maritime Provinces. Therefore they invent different causes for the deficit which annually occurs. The hon. member for Pictou attributes it to the fact that the road is in a very high state of efficiency, and also to the fact that owing to the peculiar method of book-keeping adopted on the road large sums are charged to the working expenses which ought to be charged to capital account. He makes out, if I understand him rightly, that during the last ten years some \$2,000,000 had been charged to working expenses which ought to have been charged to capital account. If that is so, the road has not been run at an annual loss at all. The hon. member for St. John elucidated that point somewhat fully. Before he got through, however, he had to admit that a deficit did occur on the Intercolonial Railway, and the fact could hardly be denied. Considering the reports that are laid before the House, it would be foolish indeed for any man to attempt to prove that a deficit does

Mr. HAZEN.

not occur. But he finds great fault with the means that have been outlined by the hon. Minister of Railways for overcoming that deficit. He does not like the idea of discharging those 210 officials of the road. He thinks they should be left for death or other causes to create vacancies. He does not very much favour the idea of dispensing with any trains, fearing that the accommodation of the people will be impaired; and he also complains greatly that the salaries of the officials are not large enough. He mentioned some gentlemen in his own town, I presume very patriotic fellows, and no doubt very efficient and hard-working men, who have been for some time employed at \$50 a month doing work for which he said they would be paid on any other railway two or three times as much. Now, it seems to me that these men are very foolish to remain there. I wonder that they do not quit the service of the Intercolonial Railway and go where they can get more money. He says the salaries paid on the railway are a disgrace to the Government of Canada. These are pretty strong words to come from an hon. gentleman who has in season and out of season been supporting the Government. I think, however, that his conclusions were not very good when he instanced the cases he did, because I believe that if there is a single man working on the Intercolonial or anywhere else for \$50 a month who could get \$75 or \$100 elsewhere, he is a bigger fool than any I ever met if he does not step out. The fact that he remains there at \$50 a month is conclusive proof to my mind that he cannot get any more. Now, I am not prepared to admit that the loss on the Intercolonial Railway is due to low rates on flour or wheat or coal. I say that the rate charged by the Intercolonial on flour is a good paying rate, which should yield the railway a good profit. I know something about the rate on flour on the Intercolonial, and I can state that the proportion now charged say from Point Lévis to Chatham, which is I presume about 450 miles, is over half a cent per ton per mile. It will amount to .53 of a cent per ton per mile. Then if you go on to Moncton, 510 miles, the rate charge on that is .47 of a cent per ton per mile; then to Truro, 610 miles, it is .39 of a cent per mile. If you take the longest haul on the Intercolonial Railway, that from Lévis to Halifax, you will find that the flour rate will average just one-third of a cent per ton per mile. Now, I say that that rate is as good a rate as is obtained by nearly any road in the country. The rate obtained by the Grand Trunk Railway, the proportion it gets on the flour from the west to Halifax will not, taken as a whole, be any higher, I believe, than what the Intercolonial Railway gets. The Intercolonial Railway carries a great deal of flour all along the line from Campbellton, Dalhousie, Chatham, Moncton, Amherst. They get the same proportion of rate as they do on the flour that goes to Halifax and there is where they make a large profit out of the rate on flour. I believe that the present proportion of the Intercolonial Railway is 37 per cent of the through rate, which will leave them a very good profit over the actual cost of hauling. Now, so far as flour and grain are concerned, I may say that there is not a single pound of freight carried over the Intercolonial Railway which does not yield a handsome return to the Government. One fault I find is that a great proportion of the flour consumed