

to supply additional accommodation. The expenditure was thrown on the working of the road, and not charged to capital, because much of it was in a number of small sums. The large expenditure was set down to construction account, but the great increase of capital towards both ends of the line, in consequence of connection being made in the middle, necessitated many expenditures along the road which resulted in a loss on the whole of some \$300 000. It had been stated that both New Brunswick and Nova Scotia worked their roads previous to Confederation at a profit, which the records show to be true. In both they were completed and finished, and the whole cost was charged to construction account. They required but very little repair; the outlay upon them was much smaller than afterwards, when they became worn down. They might be run down again if they passed into the hands of private individuals, after having been put in first class order. What security would they have for companies running and equipping them and handing them over to the Government afterwards, if required, in the same good state in which they received them. That was the difficulty the Government would have to meet in dealing with the question of their transfer to a private company.

Hon. Mr. MILLER thought that there would be satisfactory security to be found in case of such transfer.

Hon. Mr. McLELAN said that companies would insist on roads being put in first class order before taking them, while Government would not be able to get any security for the lines being maintained in the same condition. Private parties would run them purely to make money—that was the great danger. He thought the hon. mover of this motion would find the figures of the hon. member for Richmond correct, and that the actual deficit was less than one-third the amount he had stated, and that for the reasons already given, the figures were of no use in guiding them in forming an opinion as to the cost of the working of these roads hereafter.

Hon. Mr. FERRIER said the discussion had been useful in bringing out the opinion of the late Government in reference to these roads, including the Intercolonial. He would regret very much the leasing of these roads to individuals. He agreed with what his hon. friend had just said, that any company would take these roads when finished and thoroughly equipped, and run them a certain number of years, probably 15 or 20, which was the life time of those steel rails now

laid. He did not think from his experience in the Grand Trunk, that the Government would be justified in entertaining such a notion. The Grand Trunk had leased the section from Quebec to River du Loup for a number of years to a company, which had already run it four years. The Grand Trunk paid, he thought, \$15,000 for that management, providing cars, locomotives, and everything required. A short time after he was called to the Board he gave them notice that, according to the terms of the lease, their control of the road would terminate when the period expired. What was the consequence? They offered him very nearly the same premium or rent to allow them to continue the running of the road. No stronger proof was necessary that they were making a very handsome thing of it. It would be the same in the case of these Government roads. He would like to impress upon the House the fact that though they at present showed a deficit, they should remember that the country had benefited by them. If a y one would reflect upon the amount of business transacted between those Lower Provinces and the Western before Confederation and compare it with the present, he would see that it exceeded the former by nearly twenty times. Look at the steamers engaged in the Lower St. Lawrence trade in summer, plying to Halifax and St. John and at the goods sent down by the Grand Trunk in winter, and think of the trade done with those Province before Confederation. The whole of them went to Boston to the benefit of our neighbours. He remembered during the discussion of Confederation at Quebec the difference of opinion entertained respecting the Intercolonial. He had taken a favourable view of it, and had not changed his mind yet. If the Government would wait till the whole road was opened, and all its connections formed with the Lower Provinces, so that the amount of trade it would command could be ascertained, he believed they would be fully satisfied. Many people were in the habit of expressing opinions without consideration. Before leasing the Intercolonial, the Government ought to test it by a year or two's experience. The benefits they would receive would, he believed, justify this trial. He did not see why Government should not run a railway as well as any company, or why a railway department could not be formed by Government as well as a Board of Works department. They should be able to manage better than a company, for if