

Railway. If, as the hon. Minister of Railways promises, the efficiency of the road will not be impaired by the changes which he proposes on this occasion, I think he will be sustained by the public sentiment of the country, in his attempt to establish an equilibrium as far as possible between the working expenses and the revenue of the Intercolonial Railway. Some criticisms have been made in the course of this debate which hardly show in a fair light the operations of the Intercolonial Railway as compared with other railways in Canada, because no fair basis of comparison is available that can be applied to the operations of these lines, as I shall endeavour to show before I sit down. The hon. member for North Wellington (Mr. McMullen) took, as a basis of comparison, the expenditure per mile of certain railways, forgetting altogether, as has been very plainly put forward by the hon. member for Westmoreland (Mr. Wood), that the expenditure will depend upon the efficiency of the service and the number of trains which are run on the railway, and that any system based on the expenditure per mile is not a fair comparison by any means. With regard to the statement that I made that there is no fair basis of comparison for testing the working expenses of the Intercolonial Railway with those of the other railways in Canada, I wish to call attention to the manner in which the accounts of this railway have been kept since it was started, both under the former Government and under the present Administration. I regret that we have not available the return which was moved for a short time ago, showing the amount expended out of the earnings of the road in improvements and betterments. It will be remembered that there are two classes of votes submitted to this Parliament in connection with the Intercolonial Railway; one for payments out of capital and another chargeable to revenue. All the expenses in connection with the Intercolonial Railway that are paid out of revenue are classified as working expenses, and these payments include very many charges which, on other railways in Canada and the United States are charged to capital account, as will be apparent from reports of officials of this railway and from other documents which I shall be able to show to this committee. Going as far back as 1877, Mr. Brydges, who was the manager of the railway in that year, called attention to the character of the expenditure on the Intercolonial Railway. Mr. Brydges was at one time the general manager of the Grand Trunk Railway, and he had some knowledge of the methods in which the accounts were kept so that he could institute a comparison. The system on the Intercolonial Railway of keeping the accounts in that regard has not been changed from 1878 down to the present time, so far as it relates to the expenditure of the vote under the head of charges of revenue. In his report of 1877, Mr. Brydges says:

"I have already stated that all the outlay heretofore and usually charged to capital on the old lines, has been included in working expenses for the past year. These various items include ballasting to bring the old line up to the standard of the new one, costing about \$30,000; taking down and rebuilding decayed masonry principally in Nova Scotia and replacing worn-out bridges about \$12,000; new and enlarged station buildings about \$8,000; additional sidings about \$3,000; and various other items making a total of upwards of \$65,000."

In 1878 Mr. Brydges reports:

"As already stated the outlay for ballasting and increased facilities in the shape of sidings, station and Mr. McDUGALD (Pictou).

other buildings, improved water supply, &c., has all been included in the working cost.

"This includes the following principal items:

Ballasting.....	\$ 52,000
Additional sidings.....	20,000
Semaphore signals.....	3,500
Additional station buildings.....	4,500
Increased water supply, fencing, car shops, machinery and sundry works.....	25,000

Total..... \$105,000

"These items are usually charged to capital by railway companies and have therefore to that extent increased the charges for the working of the traffic of this railway during the past year."

Chief Superintendent Pottinger in his report for 1882, says:

"Ten miles of new sidings were laid at different parts of the line to accommodate the increased traffic.

"A combined passenger and freight station was erected at Derby and also a similar building at Fiel River. A dwelling house for the station master was built at Causapscal and also at Jacquet River and at Painsec. At Au Lac and at Sackville extensive repairs and improvements were made to the station houses.

"The cost of these repairs and improvements and of others which I have not specified forms part of the working expenses."

Chief Superintendent Pottinger reports in 1885:

"Although the loss in the year's operation of the Government railways exceeds that of the preceding year by \$41,402.82, this result may be regarded as not unsatisfactory in view of the heavy expenditures for additions and improvements, which in the case of most railway companies are charged to capital, but which swell the working expenses of the Intercolonial Railway. These include additional new sidings freight and station houses, semaphores, snow and ordinary fencing, the raising of several bridges and their approaches, increased water service &c.

"While the completion of the new general offices at Moncton also added to the cost of operation."

Chief Superintendent Pottinger reports in 1886:

"The following is a summary of expenditure on improvements:

New sidings.....	\$14,000
New buildings and semaphores.....	7,000
New fences.....	8,000
Increased water supply.....	23,000
Iron bridges.....	6,000
Improvement to permanent way in rails and ties.....	37,000
Improvements in locomotives and cars.....	20,000

Total..... \$115,000

"This expenditure was made in addition to the maintenance and renewal of existing works, and was for improvements to the property, but it is all charged to working expenses and against the earnings for the year."

Chief Superintendent Pottinger reports in 1890:

(Under working Expenses.)

"100 miles of the track were rebalasted; 42 sidings were put in at various points to accommodate the traffic; 125 miles of the main track were relaid with heavier steel rails.

"This was an improvement very desirable on account of the heavier locomotives and cars now used, but it increased the working expenses for this year \$200,000 over those of last year.

"The work of strengthening the bridges was continued. The bridge over the Tantrammar River near Sackville and that over the Restigouche were strengthened at a cost exceeding \$26,000. Five other smaller bridges were also strengthened by lateral bracing.

"Eight large bridges were provided with new and improved floors and iron guards rails to increase the safety of trains.

"And fifty small wooden bridges of 10 to 20 feet span each were replaced by iron bridges."

Mr. Schreiber in 1886 reported:

"Though the loss on operation amounts to \$106,000 it should be observed that no less than \$115,000 has been charged against the earnings of the year for improvements of a character generally charged to capital and respecting works over and above ordinary maintenance and renewal."