

road between Halifax and St. John does not pay now ?

Mr. BORDEN. I have tried to ascertain that, but there is nothing in the reports from which I could get any information. Last year the Eastern Extension account was kept separate, and that shows a slight profit : this year it does not appear by itself, and I have not been able to ascertain. I think it would be very instructive if the Minister would make, if he can, a statement to this House, showing the earnings and cost of running the different sections of this railway. Now, in this connection, I wish, also, to call attention to a fact which, perhaps, may not concern every section of the country, but it is a fact which concerns specially the people living in the western part of Nova Scotia. It is a fact that freight from the west over the lines in the western part of Nova Scotia, is carried at profitable rates. As I have said, a company is operating the road there and making money, and the people are paying these rates. They have to compete in Halifax and St. John, particularly in Halifax, with goods coming in over the Intercolonial Railway from the eastern part of Nova Scotia and New Brunswick, which are paying much lower rates ; and these people in the western part of the province are not only paying high rates—I do not say they are too high—but they are paying business rates upon their goods ; they are not only doing that, but they are contributing to make up the deficit which results from the charging of too low rates in the other parts of the province.

Mr. HAGGART. What is the total amount they contribute in that manner ?

Mr. BORDEN. I cannot tell, I have no means of finding out.

Mr. HAGGART. \$1,306 a year.

Mr. BORDEN. I do not see how the hon. gentleman has ascertained that.

Mr. HAGGART. In 1890-91, on the Windsor branch, 32 miles, one-third of the earnings, \$30,238.13 : maintenance and expenditure, \$28,931.71 : leaving a profit to the Government of \$1,306.42.

Mr. BORDEN. The hon. gentleman has not apprehended my point. I am not speaking simply of the Windsor Branch, I am speaking of the whole system of railways in the western part of Nova Scotia which are operated by companies and are operated at an immense profit : and I say that the people in the western part of the province are paying rates which enable the companies owning these roads to make a large profit ; and at the same time they are competing in other markets with goods brought in over the Intercolonial Railway at lower rates ; and while they are paying these higher rates to the companies, they are called upon to make up a portion of the deficit of \$600,000 or \$800,000 which results from the operation of the Intercolonial Railway ; that is the point I was trying to make. Now, Mr. Chairman, I hope that the hon. Minister, who, I must say, has shown a greater disposition to investigate this matter than some of his predecessors, will look carefully into the whole question in the line I have pointed out to him. While I do not say that this road should at once be operated in such a way that the two sides of the account will balance, I do say

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that I have no doubt whatever that within a very short space of time, if the road were operated economically and entirely free from political influence, operated with a single eye to getting the best results out of it, within a very few years the road will not only pay expenses but show a balance on the right side. If the hon. gentleman thinks he is going to accomplish this by turning out a couple of hundred employes, he will find that he will come very far short. I am not an expert in these matters, but it is my opinion that he should add another cipher, and that he should get rid of 2,000 instead of 200, and he would be coming nearer to the mark if he put in their place skilled men. I venture to say that if that road were operated by the Canadian Pacific Railway or the Grand Trunk Railway, instead of 4,000 odd employes being retained, the whole line could be worked with very nearly one-half that number.

Mr. SPROULE. I may say as an Ontario man, that the opinion has been prevalent for some time that a strong effort should be made to have the Intercolonial Railway run in such a way as to make it self-sustaining. I do not think it was contemplated, when we agreed to build the Intercolonial Railway as part of the conditions of Confederation, that it should ever be run at a loss, as it has been run since it was built. I believe if it had been known then that it was going to be run for so many years with the annual deficit which has attended the operations of that road, the Government of the day would never have entered into any such engagement. I do not know what the cause is for the loss in running the road. It may be partially due to the lack of that stringent economy which private railway companies always exercise in running their railways, or it may be due to lower rates being charged than are charged by other companies, or it may be due to lack of skilled management in some direction. My own opinion is, judging from the figures given by the Minister of Railways to-day, that the road is operated at as low a rate per mile as any other railway in the country. I, therefore, assume that the loss is not due to that cause. But, on the other hand, I think it is largely due to carrying freight at lower rates than it should be carried. A discussion took place in this House some years ago, and a comparison was made between the cost of carrying freight over the Intercolonial Railway, one thousand pounds per mile, and other roads, and if my memory serves me aright, it was much lower over the Intercolonial Railway than over other roads. Therefore, there must be a loss in that direction. Some hon. members have contended, especially the hon. member for Halifax (Mr. Kenny), that because we have built canals from which we received no profit annually, but which are a source of loss every year, to carry on the trade of the country, therefore we are equally justified in operating railways on the same principles. I do not think that we are. It is argued that because these canals are largely in the Upper Provinces, we Ontario people should not grumble if the railways in the Maritime Provinces are operated at a loss, when the benefit largely results to the people of the Maritime Provinces.

Mr. KENNY. I am quite sure the hon. gentleman does not wish to misrepresent me, but he evidently misunderstood my argument. I said the