

be made to the state, that the aggregate excess in 1950 will cancel accrued indebtedness and that the Government can thus make great reductions in taxation, or reduce the cost of transportation.

A comparative statement by Edwards (given on p. 148) shows the percentage of total working expenses on state lines and on private lines respectively in European countries. In one country only, France, is the cost of state administration considerably greater than that of private administration. In Germany, Austria-Hungary, Belgium, Italy, Holland, Roumania and Russia the cost of state administration is very much less than that of company administration.

#### GOVERNMENT RAILWAY EXPERIENCE IN CANADA

These considerations I venture to bring before the House for the reason that I think a few facts of this kind may be worthy of our consideration in this country. We have not had very much practical experience in North America, as I have said. Our own experience has been confined to the Intercolonial and the Prince Edward Island Railway. The results of Government operations upon the Intercolonial have not at all times been very satisfactory so far as financial returns are concerned, but we must bear in mind in considering the result of Government ownership in this country that the Intercolonial was constructed for the most part through a sparsely inhabited country between Moncton and Quebec, country which affords very little local traffic. It has been pointed out more than once by Mr. Blair that in Quebec as well as in the Maritime Provinces it has had to compete with splendid waterways in every direction. It has had no western connection of any value and the rates have been very low in the Maritime Provinces. In the Maritime Provinces, however—and I speak especially of the Province of Nova Scotia—the operation of the Intercolonial, even upon low rates, has I believe on the whole been paying and profitable to this country. I have no doubt that the operation of the Intercolonial in the Province of Nova Scotia during the past ten years has paid a handsome return upon the capital invested. I have no doubt about that because I compare the traffic of the Intercolonial with the traffic upon other lines in Nova Scotia. I know the result on those lines and I come to the conclusion that the operation of the Intercolonial has been profitable in Nova Scotia and I believe in the southern part of New Brunswick. Indeed, Mr. Blair has told us that and pointed out that if we had western connections, if we had as profitable a line in Ontario as we have in the Maritime Provinces, the paying portions of the road in the Maritime Provinces and in Ontario would give a fair average return to the