

And so on. He goes on to speak of the advantages that must necessarily accrue by the construction of that railway and by the confederation of these widely separated provinces.

The Hon. A. T. Galt then Minister of Finance of Canada, said :

In answer to the objection that Canada sought the union to be relieved of her burdens, spoke of the Intercolonial Railway, of the benefit it would confer upon the maritime provinces, whilst the expense under the proposed union must be borne principally by Canada, an arrangement entirely different from that which had been contemplated while the provinces were separate.

I have not referred to these statements as in any way extenuating the deficit which has occurred on the Intercolonial Railway during the past year, nor as a justification of the deficits which have been occasioned by the operation of the railway since its construction and completion as an Intercolonial Railway, but I do not want this House to forget, and I do not want this country to forget, the object, the main purpose, of the construction of the Intercolonial. The success, or non-success, which has attended that construction has certainly been before the country, but the object for which the Intercolonial Railway has been constructed has not always been borne in mind. There always has been a discussion about the expenditures on the Intercolonial Railway. There has always been comment, severe—very severe—with respect to the deficits on that road, but as a gentleman said in my hearing at a public meeting in the province of Ontario not many months ago, the Intercolonial Railway, from the very day of its construction, has been productive of surpluses, but the surpluses, instead of being in the shape of dividends distributed amongst the shareholders, as is the case with the Canadian Pacific Railway and the Grand Trunk Railway, have been left in the pockets of the people of the country by reason of the very low rates of freight which have been charged with respect to the traffic between the east and the west. With respect to that traffic we know what object the fathers of confederation had in view in constructing that road. It was to bring these peoples together, it was to divert the traffic which went to the New England States from the maritime provinces in this direction, and to have communication between Ontario and Nova Scotia. Three-fourths of the traffic—certainly of the through traffic—has been in the easterly direction; one fourth of the traffic has been in the westerly direction. That is to say, if there is a benefit to be derived by low rates of freight, if trade is to be promoted, if markets are to be secured, if there is to be a diversion of trade from the manufacturers of the New England States to the manufacturers of Ontario and Quebec, that can only be accom-

Mr. EMMERSON.

plished by making such freight rates as will make possible an interchange of traffic; and if three-quarters of that traffic is in an easterly direction, surely three-quarters of the benefit must accrue to the Ontario and Quebec manufacturers. How else would the markets of the fishermen along the shores of Nova Scotia have been secured by Toronto, Montreal and other manufacturers, and the manufacturing towns of Ontario and Quebec? They certainly could not have been, had not these rates been abnormally and exceptionally low. The result was apparent in a very few years. The trade was diverted. Good did come of it. The very objects which the gentlemen who conceived the scheme had in view were accomplished, and the result is that the Intercolonial Railway has been operated with freight and passenger rates which are exceptionally low, and that the people east and west have enjoyed the advantage, that the country has prospered and that we know each other as we did not know each other previous to that date.

Now, all this is germane to the question at issue, because I will make the statement with a knowledge of the facts: That if we had applied on the Intercolonial Railway, during these years, in the matter of freight traffic, the rates which have been applied on the Grand Trunk Railway and Canadian Pacific Railway, there would never have been a deficit in the history of that road. It is simply a question of freight rates and passenger rates. I am always assuming that the traffic would have followed these channels without these exceptionally low rates. If it would have done so, then, certainly, there has been wrong doing in not increasing the rates equal to the rates charged by the other railways of Canada. But, if the traffic could not have been secured without the application of these special rates, then, I say that the action of those who have been responsible for the application of these rates has been justified by the results.

What has the Intercolonial Railway cost? and this is a matter of interest, I am sure, to the people of the country. This expenditure, it will be admitted, was for the benefit of trade and transportation. That was the object in view, and it is no startling proposition to say that the parliament of Canada shall appropriate moneys for such a purpose. Parliament has been doing that ever since it was a parliament, and while I shall first invite your attention to the cost of the Intercolonial Railway, I shall as well venture to invite your attention to the question of the amount of money that has been expended by Canada since we became a confederation in connection with other means of promoting trade and transportation in Canada. You know that we have our canals. These are deficit creators, and recognized as such. You know that we have our other railways in Canada which have