

House desire to see accomplished. If it is a choice between these two methods, I have no hesitation in saying—and I believe the people of the Maritime Provinces will endorse my statement in this regard—that I, for one, approve of the policy outlined by the Minister of Railways. If at the present time there are more trains than are required for the traffic of the road, it is much better that the numbers of trains should be reduced and that a few employes should be discharged than that the local rates in the Maritime Provinces should be raised. It will be admitted that the through rates cannot be raised, and here let me make one observation with regard to the remarks of the Minister of Railways that the freight rates upon coal, stone, and I think he said wheat and flour, were not sufficient to pay actual operating expenses. I feel very much like joining issue with the Minister on that point. I have not the data here to prove that his statement in that regard is absolutely incorrect, but I think if we look at the question in this light, that we have the railway built, that a certain portion of the cost of operating the railway is what are called fixed charges, that they have to be paid under any circumstances, that the additional cost of carrying traffic which the Minister referred to is the actual cost of carrying that particular traffic and the wear and tear of the road which results in consequence, it is not clear to my mind that this traffic can be said to be an actual loss to the road. The history of other roads, roads which are operated by private companies, I believe justify this statement, for, if my memory is not at fault, the figures presented to the House during the debate last session by the hon. member for Cumberland show that other railways under similar circumstances would carry freight at rates quite as low as those of the Intercolonial Railway rather than not to carry it at all. I believe the people of the Maritime Provinces will generally endorse the proposals of the Minister of Railways rather than the proposition of the hon. member for East Grey (Mr. Sproule) to increase the freight rates upon the road. I believe that those of us who support the Government on this side of the House will endorse the Minister's action in regard to the dismissal of employes. I at all events have urged on the Minister, and I believe the action of other members from the Maritime Provinces has been in the same direction, that the changes made in regard to employes should not be too general, too sudden, or too sweeping. I think it is a wiser course to pursue that these discharges should be made gradually. If new men are not employed, the number of employes will naturally diminish from natural causes, from death, from the discharge of those who violate the rules and those who wander away for a change of employment, or to better their position. The member for King's (Mr. Borden) stated that he thought that the number of dismissals should be increased, that he would have applauded the Minister if, instead of dismissing 200 he dismissed 2,000 of the employes. I take issue with the hon. gentleman on that point. I think these dismissals, which the Minister proposes, are quite sufficient to meet the case. I take issue, too, with the member for Guysborough (Mr. Fraser), who said that because the road was operated as cheaply as any other road, there should be no dismissals. I think the argument I have presented to the House, that the condition of

things necessitates the reduction of the train service and consequently the number of employes, is the correct one. I have only one more remark to make, and that is to press on the attention of the Minister a matter which I have endeavoured already to press upon him, and I should like to impress it not only upon him, but on the members of the Government and members of the House. As every one knows, a large number of employes of the Intercolonial Railway reside in the city of Moncton. There will, no doubt, be some discharges there; I hope they will not be any more general than is absolutely necessary; but in making those discharges, the point I wish to impress on the Minister is this, that he should have regard to those men who have settled there, who have been employed on the railway for years, who have purchased property there, for if they are discharged from the road it will be a very serious loss and inconvenience, in fact it will mean ruin to very many of them. Of this class of people, those who are sufficiently strong and possess sufficient skill to discharge their duties should, under any circumstances, be retained in the service; and the discharges should be made from the young men who have not families depending on them, and others who would not feel the loss and would not be inconvenienced from being thrown out of employment.

Mr. McDUGALD (Pictou). I quite agree with the observations made by the hon. member for Westmoreland (Mr. Wood) and other members from the Maritime Provinces in support of the proposition of the Minister for the reduction of the train service and dispensing with such hands as are not required for the service of the Intercolonial Railway in preference to making any addition to the freight rates on traffic passing over the road. I do not rise for the purpose of criticising the reductions which are proposed. The justification of the change will be found in the reduction in the earnings of the Intercolonial Railway last year as compared with those for the previous year, while there was an increased mileage of 200 miles. I have listened very attentively to the arguments which have been presented this evening in regard to the Intercolonial Railway and the causes to which the deficits on the line are due. I have come to the conclusion that those deficits are due largely to the high character of the service which is being performed by that railway, and the efficiency of the rolling stock and road-bed and all the equipments of the line, together with the methods of book-keeping which have been employed in keeping the accounts of the working expenses of the road. I think one fact has been very clearly demonstrated during this discussion, and that is, that the operating expenses of the Intercolonial Railway are not by any means extravagant, as compared with the operating expenses of other railways in Canada or in other portions of this continent. The figures quoted with respect to the operating of the Grand Trunk Railway and the Canadian Pacific Railway, show that the cost of operating, based on the train mileage, is less on the Intercolonial Railway than on either of the two great railways in Canada, and that the deficits arise from a lack of revenue from the train service. The train service is of a better character than on any other line, while the population is much more sparse than along the line of the Grand Trunk and some portions of the Canadian Pacific