

Mr. WELDON. What is the rate charged from Pictou to the Londonderry Steel Works?

Mr. BLAKE. Can the hon. gentleman say that there has been any change made in the rate he speaks of for two or three years past?

Mr. POPE. No. There is this difference: Our cars now carry 20 tons, and my hon. friend knows that when you carry 20 tons to the car you can do it for less than when you haul only 10 tons to the car. We have increased the capacity of our cars for the purpose of reducing the rate.

Mr. McDUGALD (Pictou). The Intercolonial Railway is not a commercial road, but it was built chiefly for the purpose of developing interprovincial trade. If three-tenths of a cent per ton-mile is a very low rate, I think we can find quite as low rates on some of the commercial roads in the United States. I have here an article from the *Mining Engineer*, of New York, of the 16th May, in reference to railway rates, which I will read:

"Some years ago a distinguished iron master, after examining this country and recognising the value of our magnificent deposits of coal and iron ore, expressed the opinion that the great distances to which our raw and manufactured material have to be transported, will always prevent effectual competition with the English works.

"No doubt our 'magnificent distances' are a serious drawback; but the minimum rate at which our railroads, canals, and grand lake and river systems of navigation can carry heavy freights was not appreciated and the influence of distance on price was correspondingly exaggerated.

"Coal, coke, grain and ore are charged the lowest rates, and some of the figures have reached a marvellous minimum. Some of the roads are to-day carrying grains from Chicago and St. Louis and other points at, it is said, from \$2 to \$2.50 per ton of 2,000 lbs. from 10 to 12½ cents the bushel. The distance from Chicago to New York harbor by the Pennsylvania Railroad is more than 1,100 miles, and by some of the shortest routes nearly 1,000 miles, so that the rate of nearly two mills per ton per mile has been reached. It is not claimed that the rate is remunerative as an average to be applied to all the freight moved; but some years ago, when economy in every item of cost had not attracted the attention or been practised as strictly as it now is, one of our best known engineers, at that time attached to a through road, showed conclusively that all over \$2 a ton that could be received for freights for empty cars returning from New York to Chicago would be net profit. At present there can scarcely be a doubt that the actual cost on long hauls over our best managed roads leaves a net profit on the two mill rate. It was shown in the *Engineering and Mining Journal*, a few months ago, that the 'pool prices' fixed by the railroad companies themselves for Cumberland and Clearfield coal would leave the main lines about three mills per ton-mile on a haul of a few hundred miles only, and we have since shown that the pool prices have been heavily 'cut' at the expense of the carrier.

"The anthracite roads have always collected heavier tolls; but when anthracite coal was sold here by auction in 1877, at a minimum average of \$2.35½ per gross ton f. o. b., some of the roads carrying on a percentage rate must have received less than one cent per ton-mile. The Reading reports show that its cost for hauling coal from the Schuylkill field to Port Richmond (about 100 miles) does not exceed one quarter of a cent per ton-mile; and there can be no doubt that the Reading, if once in strong financial position, could take the lion's share of the anthracite trade from all its rivals. The Grand Trunk Railway, though it was before the Canadian Pacific Railway was built, and roundly abused as a monopoly, carried iron ore on a rate of even less than half a cent a ton-mile, and coal at but little more."

Mr. McMULLEN. A return with respect to the character of coal on the Intercolonial was ordered three months ago, but it has not been brought down. Such a return would have furnished all necessary information. The grades and curves of a road have much to do with fixing the rates. There is no road in Canada over which freight can be so easily carried as the Canada Southern. If the grades on the Intercolonial were equally easy, coal could be carried at a low rate; but with grades and curves as at present a rate of ¾ of a cent per ton per mile entails a loss.

Mr. VAIL. A very large amount of money was due from the Londonderry Iron Works for freight. Has the amount been collected?

Mr. POPE. It has not all been collected, but it is all secured.

Mr. BLAKE. Has anything been done towards collecting the accounts for sidings to various factories, which sums

appear in the Public Accounts as amounts due to the Government?

Mr. POPE. There is some difference of opinion about the amounts.

Mr. BLAKE. In the Public Accounts they are represented as debts due. I want to know whether they have been adjusted?

Mr. POPE. My recollection is that they remain unsettled. Negotiations are going on with respect to them.

Mr. BLAKE. In view of the enormous profits made by establishments under the National Policy and the high prices charged for goods, it seems strange that these people should leave their just debts unpaid.

Applying air brakes to 100 engines..... \$ 73,500

Sir RICHARD CARTWRIGHT. Perhaps the hon. gentleman would give some information.

Mr. POPE. Up to the present time we have had the ordinary brakes in use. We have found them not only expensive, but dangerous. Trains could not be stopped with them as quickly as with improved brakes. After a good deal of pressure brought to bear on the Government by those who patronised the road, we felt it to be in the interest of the country to obtain the most improved brakes.

Sir RICHARD CARTWRIGHT. Whose patent is to be used?

Mr. POPE. The Westinghouse.

Mr. BLAKE. The hon. gentleman yielded to the pressure last year, for there is a large sum in the Public Accounts for the application of the Westinghouse air brake.

Sir RICHARD CARTWRIGHT. An item of this kind should be taken out of ordinary income. To place charges for air breaks to capital account, which is supposed to represent permanent improvements, seems questionable policy.

Mr. BLAKE. How much has already been spent on the application of the Westinghouse air break?

Mr. POPE. I cannot state.

Mr. SHANLY. When these 100 engines are supplied with the air breaks, will that finish the equipment of all engines on the road?

Mr. POPE. All but 15.

Mr. BLAKE. How many engines are there on the road?

Mr. POPE. 160, I think.

Mr. VAIL. There were \$32,500 expended last year.

Mr. BLAKE. This is all charged to capital account.

Mr. POPE. This is a new thing, and we think it properly belongs to capital account. We have heard from hon. gentlemen opposite that in repairing rolling stock we charge it to capital account, but we do nothing of the kind. Our running power has gradually increased from \$1,000,000 in 1877, to \$2,170,868 this year; and as we require more rolling stock to keep pace with our traffic, we charge it to capital account.

Mr. BLAKE. You carry very little more, you have earned a little more money last year than the year before, but the increase in capital account goes rolling on.

Intercolonial Railway..... \$ 2,400,000

Sir RICHARD CARTWRIGHT. I notice that the hon. gentleman has made certain alterations in the items. There is a decrease of \$100,000 in the charge for locomotive power, \$40,000 for maintenance, and \$30,000 for general charges, while there are increases of \$35,000 each on car