

generally. I am not prepared to say that this is a very correct test, or an absolutely correct test. Very much must depend upon the mode in which the accounts are kept, and here let me say that I regret very much that before this discussion took place we had not before us the return which was moved for a few days ago. I am informed that a great deal of the expenditure on the Intercolonial Railway in the last few years has been charged to operating expenses which might very fairly have been charged to capital account. I refer to such items as the cost of changing the rails and putting the 67-pound rails which are now on the road in place of the 56-pound rails which were formerly on the road; also the improvements which have been made in the station buildings; the difference between the cost of the iron bridges which have been substituted for the wooden bridges previously used, and the improvements in the cars. It is known to every one familiar with railway matters that in very many railway companies in the United States, at all events, these items are always charged to capital account and are termed "betterments." They are never charged to operating expenses. The difference between operating expenses and the earnings of the road is divided among the stockholders, and the stockholders in those companies do not permit such items as these to be charged to operating expenses, and thus lessen the dividends to which they feel they are fairly entitled. I am not aware whether this system is pursued upon the Grand Trunk Railway and the Canadian Pacific Railway; but this shows that any basis of comparison that you may take, may not be absolutely correct. However, railway experts all agree that, in making comparisons, the train mileage basis is the fairest basis which can be adopted. As I do not wish to weary the House, I shall merely refer in the comparison I make to the two lines of railway referred to by the hon. member for North Wellington, and I will make my comparisons upon a train mileage basis. The cost of the Grand Trunk Railway upon this basis is 75·6 cents per mile; the cost of the Canadian Pacific Railway is 84 cents per mile; while the cost of the Intercolonial Railway last year, although these items to which I have referred have been charged to operating expenses, is less than 73 cents per mile. These figures show that the loss upon the Intercolonial Railway is not due to extravagance in the management, at all events no large part of it can be due to that cause. The whole cost of the operation of this road upon this basis compares very favourably with the cost of operating these other two great lines of railway, which every one will admit are well managed. I took the trouble to-day to compare, upon this basis, the operations of the Intercolonial Railway during the last year with its operations in 1883, the year when the most satisfactory results were shown, when, instead of having a deficit, we had a fair balance to the credit of the account. I find that in the interval between those years the mileage has been increased by 254 miles. I will not trouble the House with the figures, I will only give the percentages. The engine mileage has increased 38 per cent, the passenger train mileage, 52 per cent, freight train mileage, 38 per cent. The passengers that have travelled have increased 47½ per cent, and the ton of freight, 34 per cent. But when we come to the receipts, I find that the total increase has only been a little over 25 per cent. Now,

Mr. WOOD (Westmoreland).

it may be said that this is an unsatisfactory showing; it is unsatisfactory in one sense, but I think when the causes are fairly looked at, it will not be so unsatisfactory as it at first appears. The cause of the relative disproportion between the receipts and the expenditure during the last two or three years is no doubt due to the opening of the Canadian Pacific Railway Short Line Railway. The hon. member for King's, N.S. (Mr. Borden) referred to the receipts for passengers upon the Intercolonial Railway. The average receipts per passenger for the last year was 74 cents; the receipts in 1883 were nearly 83 cents. We find the same comparison from the receipts from freight traffic. The receipts per ton last year were \$1.42, while in 1883 they were \$1.50. These figures show, as that hon. gentleman very properly pointed out, that while the number of passengers has increased, and the number of tons of freight carried has increased, the average distance which these passengers have travelled is less than it was ten years ago, and the same applies to the freight traffic. This simply shows that the opening of the Short Line Railway has drawn away from the Intercolonial Railway a very large portion of the through traffic which it formerly had. Now, Mr. Chairman, one of the speakers who addressed the House—I do not remember now which one—condemned the present Government in subsidizing the Short Line Railway, and by their action in that regard, opening a competing line with the Intercolonial Railway. The fact that the opening of that line has decreased the receipts of the Intercolonial Railway, I think, is no ground for justifying that remark. The fact that we had the Intercolonial Railway is no reason why the people of the Maritime Provinces should not have the best commercial intercourse available with their friends in the west. The very fact that this Short Line Railway is able to compete successfully with the Intercolonial Railway and draw freight away from it, although the latter carries freight at the mere cost of operating the road, the very fact that under these circumstances the Short Line Railway is able to draw away a very considerable portion of its traffic, shows that the Short Line Railway was built on commercial principles, and I think that fact justifies the policy of the Government in subsidizing this line to secure its construction. Now, several gentlemen who have spoken have criticised the policy which the hon. Minister has proposed with regard to the management of this railway, and I merely want to say one word upon that subject. We have, at the present time, a large deficit. While those of us who represent the Maritime Provinces feel that it should not be expected, that it never was expected, that this road should be a source of revenue or profit to the country, yet we are anxious on this side as well as on that side of the House, to have the two sides of the account balance, or come as near as possible to balancing. At the present time the deficiency is very large. There appears to me to be but two modes of bringing the expenditure and the receipts together. One would be the mode which was suggested incidentally by the member for East Grey (Mr. Sproule), that of increasing the local rates. The other mode is that suggested by the Minister of Railways, that of lessening the train service and reducing, to some extent, the number of employes. I can see no other way of bringing about the result which both sides of this