

statement then made, and, as that is the fact, the Minister of Railways is not disposed at present to consider the propriety of making any reduction, as he considers now the relative rate is, at least, as low as the Grand Trunk Railway Company's.

Hon. Mr. FERGUSON—Are we to understand that the government are not making the concession which has been given by the railway companies?

Hon. Mr. SCOTT—The hon. gentleman is mis-stating the case, if he will excuse me for saying so. I said the ordinary rates were lower than the rates on the Grand Trunk, and therefore, if they were to reduce them, it would bring them very much lower; perhaps it would be only a quarter of the Grand Trunk rates. I do not know how that is. But the rates now are so much lower that it would be unnecessary to reduce them still further, and it would not be in the public interest to make any cut.

Hon. Mr. FERGUSON—I have failed, I think, to make myself understood. This is not a general reduction upon the rates on stock at all; it is only what is applied to pure bred animals. The railway companies of Canada, last Saturday week, unanimously agreed to make this reduction, and I have been told that the government railways were represented at the meeting, which was held in Toronto, when this was done; if so, I cannot well understand why they do not carry out the arrangement. My hon. friend, I fear, from the fact that I did not make myself very well understood, has not brought the point clearly to the mind of the Minister of Railways.

Hon. Mr. SCOTT—I must have brought the point clearly to his mind, because I took the trouble to cut out the speech of the hon. gentleman, and wrote a note to the Minister of Railways calling his attention to it, and asked him to give it the best consideration, and the answer he gave me I have already mentioned to the House, that the rates were now so much lower on the Intercolonial that it was not considered proper to reduce them still further, as the ordinary rate was below the corresponding rate on the Grand Trunk Railway.

Hon. Mr. BOULTON—I would call the attention of the House to the fact that the

Intercolonial Railway is run without any revenue to the government, that the Grand Trunk Railway collects a revenue of \$7,000,000 which the traffic of that line has to pay; and the Canadian Pacific Railway has a surplus revenue or profit of \$10,000,000, so that these two railways can very well afford to make the concession, while the Intercolonial, which collects no revenue or has no margin of profit, may not be able to make that concession. The concession is a very valuable one in order to encourage the breeding of good stock, but the fact that those heavy revenues are collected from those two main lines is quite sufficient to justify the course that the Canadian Pacific railway and Grand Trunk railway at any rate have taken.

Hon. Mr. PRIMROSE—With regard to the rates of freight charged on the Intercolonial railway, I may say the other railways are not upon a par, in my estimation, with the Intercolonial, which runs through the lower provinces. The Intercolonial railway was built as a *quid pro quo* for the share of the expense on the canal system of Western Canada and other public works, borne by the inhabitants of the lower provinces. I do not know that it should be a *sine qua non* that the Intercolonial should earn a revenue over its expenses for that consideration. My information is that the recent tariff rates (I speak now more particularly in regard to the lumber tariff) are not less, but are in excess and very much in excess, of what were previously charged. I personally, in connection with other gentlemen interested in that industry belonging to the lower provinces, am bringing the matter before the Minister of Railways. The subject differs somewhat from that which is immediately before the House, but I may say that the system adopted or proposed to be adopted, by the Intercolonial railway in charging for freight on lumber is a most inequitable and unreasonable one, in my estimation, and I believe the position I take in regard to the matter will commend itself to the members of this House. In regard to the rates on lumber, the proposition of those who regulate that part of the business is that the freight should be charged by weight, and a lumberman whose stock has been exposed to heavy rains for a considerable period of the year, who happens to have a ship at hand during the heavy rain,