

of good quality and with good prices ruling, we had had a very poor or indifferent crop? Why is it that my right hon. friend has thrown Providence overboard and now, takes all the credit to himself and his government for the prosperity of the present year? Hon. gentlemen opposite who have spoken have talked—very guardedly I must say—of the finances of the country. They have referred to the fact that the times of depression seem to have passed and that the revenue seems to be increasing. And they have also dwelt—though lightly—upon the fact that there was a surplus for the year, of, I think, a million dollars. Now, we have a piece of business machinery of great extent, of immense cost and of diversified powers, to wit the Intercolonial railway. When I look at the accounts of the Minister of Railways, I find that in the year 1908 there was a deficit in the operation of the Intercolonial railway of a little over \$800,000. And I find that, in order to have no more of a deficit, some \$3,800,000 of money borrowed in the market or taken from the taxpayers has been expended on the Intercolonial railway and charged to capital account. Now I call the special attention of the Minister of Finance to this because it illustrates the vicious system of book-keeping under which he gets surpluses from current revenue—even though small surpluses. At the end of the last fiscal year, the Intercolonial had sixty express and baggage cars, 140 refrigerator cars, 7,096 box cars, 1,199 hoppers, 414 locomotives and other kinds of rolling stock amounting in all to 12,539. An almost infinitesimal appropriation has been made for the purchase of new cars out of revenue account, the vast majority of the purchases of cars having been charged to capital. The life of a car is given by some authorities as ten years, while some say fifteen and others try to stretch it out to twenty. Take whichever you please. According to the canons of railway administration, and according to all honest methods of railway book-keeping, the current wear should be paid for out of current account. But instead of ten or fifteen per cent of this immense number of cars having been replaced out of current account, no less than 619 have been replaced out of capital with a very small number indeed replaced out of current account. For instance, there were 414 locomotives at the end of the fiscal year 1908. Not a single locomotive bought last year was charged to current account, while twenty-nine have been bought out of borrowed money and charged to capital. Only an infinitesimal amount of the whole replacement has been charged to current account.

Now, Sir, I say that a charge of \$1,300,000 to capital account for rolling stock for the Intercolonial last year is a charge that ought not to have been made, but the cur-

rent year's wear should have been replaced out of current account. That it was not so replaced is an illustration of the way in which surpluses are made for the Minister of Finance and of the tremendous evils which are allowed by the Minister of Railways. In thirteen years during which these gentlemen, business men they have called themselves, have been running a railway, a proposition that we are all familiar with, they have had deficits, acknowledged by in that time of \$3,500,000 net, besides they have spent a little over \$2,500,000 a year on capital account for the railway. And this period of thirteen years, be it noted, is the prime period of Canada's growth, development and business enlargement. Suppose that the directors of any other railway of equal size in this Dominion or anywhere else, after thirteen years during which railways generally were prosperous, had to acknowledge to their shareholders that they had made a deficit within that time of \$3,500,000 net, besides spending \$33,000,000 of borrowed capital in an attempt to bridge the chasm between expenditures and earnings, what would those shareholders think? And what should the Dominion of Canada think of men who make such a record in running a railway, which, if run on business principles, would pay every dollar of its expense and yield a profit for every mile of its operation? In the past thirteen years every great railway system in the world almost has added to its dividends, and many of them have added largely. And this so-called business government, in its management of the Intercolonial, has succeeded in running up a bill against the people of \$3,000,000 of borrowed capital besides mulcting them in a deficit of \$3,500,000. What is the reason? The right hon. gentleman gave the reason in Toronto many years ago. He says it is not because the ministers are to blame, it is the vicious system which prevails in the administration. Why, in thirteen years, has my right hon. friend not changed the vicious system? Is it because he does not believe in changing vicious systems? Is it because from his knowledge of humanity he thinks there is some gain on the other side by having the vicious system, some gain in power or otherwise? But whatever it may be, it stands, not to the credit, but to the discredit of this government, that when other roads of equal, and many of them of lesser, opportunities have shown good profits and increased dividends and have paid interest on their borrowings, this road is in the position I have shown. So much with reference to that.

I want now to call the attention of the Finance Minister to the position as regards the United States tariff and the French treaty. I would not do this so strongly as I propose to do, were it not that the speech from the Throne intimates that