WONDERFUL DEVELOPMENT OF THE INTERCOLONIAL RAILWAY.

(Continued from Page One.)

speak of the capital outlay—was something in the neighborhood of half a million dollars a year, taking one year with another. Some years it was above that sum and some years it fell below. That state of things continued until the year 1880, and then there was a new epoch in the history of that railway. Prior to 1880, there had always been these large deficits, but in that year there was a change for the better. From 1880, for a period of four years, there was a slight surplus each year, but in order that I may put the case continuously, let me state what the condition was for a few years prior to that. From 1876-7 to 1879-80 inclusive, a period of four years, the deficits on the Intercolonial had averaged $430,000 a year. From 1880-1 to 1883-4 inclusive, a period of four years, the surplus per year averaged $17,000, a difference as you will observe of a very considerable amount. That I attribute, in a considerable measure, to the stoppage of large expenditures in maintenance, repairs and equipments. I will make clear to the committee later, by a reference to the items in detail, what I mean by that.

Another Deficit Period.

From 1884-5 to 1891-2, a period of eight years, again the deficits appear, and they average in round figures, $360,000 a year; some years more and some years less. For these eight years there was a total deficit of nearly two and a half million dollars. Then another change occurred; another epoch arrived, and this was an important epoch so far as the comparison between the deficits and the surpluses are concerned. In 1892-3 there was a surplus of $20,000; in 1893-4, a surplus of $5,838; and in 1894-5, a surplus of $3,815. You will observe that the deficits for the three years previous to 1892-3 were on an average $360,000 a year, and it was made up of the figures for each year as follows:

1889-90	$550,000
1890-1	680,000
1891-2	490,000

In these three years you will see that there was a deficit of half a million of money a year. Then something occurred. I have stated to you what that was. In 1892-3 there was a surplus of $20,0000, which was followed by a continuation of surpluses for two years more—one of $5,800 and one of $3,800. Naturally an inquiring mind would like to know what occurred to produce this change. Did the business increase? Was there any marked growth of traffic? How was it that for those years preceding there were what would be described by some as an enormous deficit each year, and that there followed even these small surpluses showing a difference of between $500,000 and $600,000 in each year's results as between 1889-92 and 1892-5? Was it due as in 1881-2-3-4, to an increase in the earnings? No. There had been an increase mileage, and an increase of something over $600,000 in the actual earnings of the road, in the period of the previous deficits. Was there a corresponding or greater increase in the earnings between the three years of deficits which I have named and the three years of surpluses which I have named? No. Let me tell you what the result was by the actual figures. The gross earnings were as follows:

1889-90	$3,012,000
1890-1	2,977,000
1891-2	2,945,000

Mark you, those were the years of deficits of over $500,000 a year. How does the business compare with that of the following three years of surpluses? In those years the gross earnings were:

1892-3	$3,065,000
1893-4	2,987,000
1894-5	2,940,000

There was altogether no greater increase in the gross earnings in the three years of surpluses which I have mentioned over the three years in which those large deficits occurred than $20,000 per year, or, in the whole, $60,000. Now, this naturally suggests the inquiry, how comes it that such a result was brought about? In the first full year in which my honorable friend administered the department he was able to show a surplus of $20,000. In the year preceding the advent of the honorable gentleman and the year of his advent the deficits were $680,000 and $490,000 respectively; and one would be, as I say, naturally prompted to ascertain, if possible, by close and careful investigation, what were the processes, what was the sleight-of-hand employed by my honorable friend to enable him to produce a surplus with practically the same amount of business that had produced a deficit of over $500,000 a year for the three years preceding? Well, I have looked into this subject, and I think I can furnish to the committee a correct and complete explanation. I am in a position to say, as you have seen, that it was not due to an increase in the business of the road. There was at all events no stimulus given to the traffic. I think I shall be able to satisfy the committee before I get through that it was not due to any remarkable successful railway administration upon the part of my honorable friend—and I am not going to deprecate in any degree his qualifications as a railway administrator. If the honorable gentleman thinks this result is a matter of credit, I am not sure whether the credit is attributable to my honorable friend or not. I am not aware to what extent, if at all, it is attributable to the gentleman who was acting minister of railways for some months prior to my honorable friend's accession to office. I believe that during the year prior to 1892, my honorable friend was minister of railways for half the year, and Sir Mackenzie Bowell for the other half. In this respect I feel that I am perhaps deficient in information. I am not able to say whether it was through the action of my honorable friend or through the action of Sir Mackenzie Bowell that this transformation took place. I do know, however, that Sir Mackenzie went down to Moncton during the time he was acting minister of railways—at least, I am so informed—and that while there he took very active steps to bring this system of annual deficits on the Intercolonial Railway to an end. Now, that was a very laudable purpose, and I am not going to criticise him for it; but I think it is just possible—and I shall refer the committee to the facts which I have gathered on the subject and invite them to form their own judgment as to whether it is a subject for congratulation or not—I think it is just possible that there may have been a change brought about which was very much to the disadvantage of the Intercolonial as a railway and was not at all a startling exhibition of railway administration. The acting minister of railways went down to Moncton, not, as I gather from the results, to study the railway question at headquarters; but for the purpose of ascertaining why this system of deficits continued, and what could be done, consistent with the public interests and with the maintenance and proper business management of the Intercolonial Railway, to bring these deficits to an end; but he went down there with the determination to cut off the deficit at all hazards and by any means, and produce, if possible, a surplus where previously only deficits had occurred. What did he do? He plied his hatchet, he cut and slashed, he reduced the expenditure here and he reduced it there, he reduced the number of trains, he diminished the staff of employes and workmen in the shops, and cut off and curtailed in every possible direction. If I am correctly informed, he called in the leading men at the head of the different departments and said that the government had determined that the half-million dollars of deficit should cease, and that they should make such reductions in the expenditure of their several departments as would bring about that result.

Starving the Road.

He did not go over the road to see in what condition it was. He did not go over it to see whether or not the amounts which had been expended from year to year on maintenance and repairs were larger than the needs of the road required. He did not go over the rolling stock or inquire into the business needs to ascertain whether more trains were operated and more expenditure incurred in the way of stimulating business than the actual business would warrant. He did not do any of these things, but simply gave out his order that the deficit should be cut down, and cut down it was. And I know how the newspapers of the time, which were supporting the government of the day, gave no end of credit to the late administration for having achieved what they described as a splendid result—for having shown a surplus, though a small one, where for years there had been nothing but enormous deficits.

But, it depends on the methods pursued to bring about that result, whether it conferred a legitimate benefit on the country or whether an injury was created—whether the road was being injured or benefited. I have the facts before me, and propose to show that no one who had any real interest in the proper maintenance and operation of that great railway would have taken the course which was then followed. It was

A Course Most Disastrous and Injurious

to the proper maintenance of the Intercolonial Railway. There was none too much money being expended in order to keep that road in proper shape if it was intended—I will not say to be a credit to Canada—but to be maintained and operated as it should be. But those who were controlling the operating of that road got their instructions to cut down the expenditure at all hazards, and I propose to show how this $500,000 of change in the expenditure of the previous years was brought about, and I can give you the precise figures, from which you can draw your own conclusions.

Take 1891-2 as the last year showing this deficit of $491,000, and take one of the following years. In 1891-2, there was expended upon steel rails laid down on the Intercolonial Railway, $150,600; the next year the expenditure upon these rails amounted to $75,000. So that, of the half-million dollars of saving, $75,000 was made up by putting down less rails than in the year before.

Mr. Powell—More rails were put down that following year than has been put down any year since.

Hon. Mr. Blair—My honorable friend smiles as if he had accomplished some great feat. I am prepared for my honorable friend's criticism. I am prepared to put the operations of the Intercolonial Railway every month of every year from 1896 alongside the operations of the previous years. Every item of expenditure can be put side by side, and we will see what the results are, and I have a statement before me covering all that ground. If the honorable gentleman will have the patience to allow me to complete my statement, he can then make any comment he pleases.

What has been expended since does not affect the argument or the case I am presenting to the committee in the slightest degree. I am now explaining how this wiping out of the deficits which had existed for years was effected, and I am pointing out that it was not brought about by any legitimate means, but by reductions in the very classes of expenditure which were necessary to the proper maintenance and equipment of the railway.

Where the Axe Was Applied.

That is the point I am trying to make. The ties furnished in 1891-2 cost $113,000; in 1892-3 they cost $84,500, or $28,500 reduction in that particular outlay. On bridges and culverts in 1891-2, we expended $169,500, and in 1892-3, $123,500, or $46,-000 less outlay. On building platforms, in 1891-2, we spent $88,000, and in 1892-3, $37,000, or $2,000 less expenditure. Repairs to engines, $293,000 in 1891-2, and $234,000 in 1892-3, or $38,000 less outlay. Repairs to passenger cars, $90,000 in 1891-2, and $83,000 in 1892-3, or $7,000 less expended. Postal and express cars, $3,000 of a difference. Laborers and trackmen in keeping up track, $73,000 difference between the two years. Repairs to other cars, $9,000 difference—making in all $300,000 out of these differences I have pointed out. The balance, $100,000, was made up in the reduction of trains, the reduction in the number of train hands, and engine drivers, smaller additions to the stores, and reductions in the men employed on the line.

I say there was also $100,000 less expended by reason of the trains cut off in all directions, as everybody knows, in the maritime provinces, together with the train hands, and so on. This makes a total of $400,000.

Mr. Powell—There is a reduction of only $12,000 represented by the train hands.

Hon. Mr. Blair—I was not taking up the trifling amounts which made this $100,000. But there is an item of $100,000 due to the cutting off of trains and the reduction of train hands and other incidental savings of amounts that were previously spent in the operating of the line. You will observe, Mr. Chairman, that there is necessarily a very marked effect produced by the reduction of these expenditures in the condition of the road-bed, rolling stock, and, generally of the equipment of the road. I point to this for the purpose of saying two things. In the first place I say it was injurious to the road; in the next place, I say it is a complete answer to what was said at the time and has been more or less made since, that there had been any marked evidence of success on the part of the minister of that day. Anybody can scrimp the road; anybody can starve it, depreciate it. You can cut down expenditure, but when you do so, you are doing serious injury to the railway system of the country. Now, let

Effect of the Extension.

me pass from that to a statement of recent years' operations under the present administration. I would first give you the gross earnings of the year 1896-7, which were only $2,866,028. From 1896 to 1898 the amount did increase, but not very largely, until it amounted to $3,117,000. This was before we had extended the Intercolonial Railway to Montreal. The amount was even larger than it had been—before even in the highest of the years when business was prosperous in the maritime provinces—as prosperous as it is at the best of times. The gross earnings of the road rose from $3,065,000 to $3,117,-069, or somewhere about $50,000 greater than it had been during the honorable gentleman's (Mr. Haggart's) best year. In 1898-9 the increase was very marked; it had run up to $3,738,331. The increase, therefore, of 1898-9 was $872,300 over what it was in 1896-7. Honorable gentlemen opposite may remember the statement I made in this house at the time we were arranging for the adopting of our policy of extension to Montreal—that we might count with reasonable confidence upon an increase in the earnings of the road, of about $300,000. My statement was ridiculed as being fabulous, merely imaginary and capable of accomplishment by taking business away from the Canadian Pacific Railway and probably doing it at a loss. It was said that there was not the business which would enable the Intercolonial Railway, even if extended to Montreal to increase its gross earnings to the extent of $300,000. But, in 1898-9, increase had taken place, and we had $872,000 over our earnings in 1896-97. Now, I desire to call the attention of the committee to a very significant state of facts. During the ten years that elapsed between 1886 and 1896, the fluctuation in the gross earnings in the Intercolonial Railway between the highest and lowest amounts was only $125,000. During all these years, our great Intercolonial Railway system, under the administration of honorable gentlemen opposite, remained practically stagnant; even though the times were good, though I do not say Canada was as prosperous as it is today.

In 1898-99 we have an increase of $872,-000. What is it due to? I do not take any credit to myself. I do not say it is evidence of great railway manipulations. I have certainly given my best energies to watching the line and have tried to perform my duties energetically and faithfully. But I do not claim credit for this increase. I do claim that the policy which met with such bitter opposition in this house and in this country from honorable gentlemen opposite and their friends against the extension to Montreal, is the cause to which we are justly entitled to attribute this

Growth, Six Times Greater

than had occurred during the whole ten years preceding. Now, honorable gentlemen may say: Well, that is no great showing, because your mileage was increased. Granted that the mileage was increased, it increased by 169 miles. But I offset that argument by this statement that there was during the ten years I have referred to an increase in mileage greater by a mile or two than there was by the extension to Montreal; there was an increase in 1891 of 171 miles on the Intercolonial Railway. So you have to look for some other reason than the fact that we have added 169 miles to the Intercolonial Railway during the present regime. It is due to the extended mileage in a sense, but in a different sense to that to which I am alluding. We extended the line into a great city which would give us business and to which we could take business, and to that cause alone I think I may fairly attribute this improved condition in the traffic upon the Intercolonial Railway.

Now, I suppose it will be said that times were good during the last year or two. Well, they were good unquestionably last year, and are still better the current year. But I want to state positively that in the maritime provinces, during the latter portion of the last fiscal year, we did not begin to realize the prosperity and business which the upper provinces realized. When good times do come we are slow to participate in them, and we do not at any time participate in them to the same extent as the upper provinces. But attributing a reasonable increase of business upon the Intercolonial Railway to better times, I set off against that improved business and equal earning prosperity, and equal good times in the maritime provinces during a portion of the ten years with which I have made my comparison. I do not suppose honorable gentlemen opposite are going to affirm that during all the years between 1887 and 1888, and 1897 and 1898, the national policy of protection did not have any good effect in the provinces. But while these good times prevailed the only effect upon the Intercolonial at the most was an increase of $125,000 in the total business between the lowest and the highest. During the year or fifteen months before the good times struck the maritime provinces, we had $172,000 of an increase in our business, furnishing a strong affirmation of

The Wisdom of the Policy

of the government in making all possible haste to get into the city of Montreal with our railway. Now, the gross earnings for the year 1898-99, as I have given them to the committee, were $3,738,321. Our working expenses and outlay upon revenue account amounted to $3,675,686. That left us a net surplus for the year ending on the 1st of July last of $62,645. This sum corresponds very closely with the estimates I made at the end of the then fiscal year, when I thought we would have a surplus on the year's operations of $60,000. That surplus amounts to something more than all the surpluses put together during the whole life of the Intercolonial Railway. There have been surpluses for eight years on the Intercolonial Railway, varying from $542.65 in one year to $62,645 last year. Seven of these were under the late government, aggregating $57,517, and the surplus last year exceeded that by over $5,000. Now, there is a disposition in the newspaper press and I presume it will be manifested on the floor of this house by honorable gentlemen opposite, to say that this surplus has been brought about by not making as liberal an expenditure upon the maintenance of the road and upon everything that contributes to its improvement, as did the late government. Let us examine the facts and see how far that statement is correct. I make the statement that the results in 1898-99 were not brought about by making a reduced expenditure upon the Intercolonial Railway as compared with the expenditures made during the honorable gentleman's term. I will furnish the committee with the exact figures showing what these expenditures were, and you can draw your own conclusions. For the years 1894-95-96 the amount spent upon railways by the late government was $130,912; for the years 1897-98-99 the amount was $134,928, not a large increase, but still sufficient to rebut the allegation that the expenditure in that particular, at all events, has been reduced. For ties, which is a very important element in a railway, in the first three years the expenditure was $184,490, and in the last three years $303,986, $119,500 in excess of the previous year. On lumber and other things which enter into improvements upon the road, the first three years the expenditure was $253,284; the last three years it was $281,755, or an excess of $28,000, making a total increase of $152,-000. This is not a large increase. I am not going to claim that it is. I am not putting it forward as evidence that

We Have Made a Large Expenditure.

I am not unmindful of the fact that comparisons are always made between two different governments, by the results, and if you desire to have a fair knowledge, and to come to a fair conclusion as to what is the character of the measure of success which has been achieved by either government, you have to come down to the figures, and you are not likely to make any undue expenditures to produce deficits, if you can maintain your road in as good condition as it formerly was, by keeping your expenditure so that the comparison will be fair and legitimate. With an increased expenditure, averaging $50,000 per year upon the same class of outlay, covering every branch of the outlays on the maintenance of the road, the comparison can be fairly made. The purpose I have in making this statement is this: It is an answer to whoever may allege that the surplus for the year 1899, as shown in the accounts to July 1 last, was brought about, in comparison with the administration of the previous government, by any diminution in the outlay which goes to keep up and maintain the road. I could go into, as I have them before me in detail, the statements of how these different sums were laid out so as to show that the three great classes of outlay are, for maintenance of way and works, which applies to the roadbed; one for cars, which deals with all classes of rolling stock, and one for locomotives, which deals with that class of equipment, which are covered by different branches of railway expenditure connected with the improvement and maintenance of the condition of the road, have all been maintained in this way. A comparison of the results show, by reason of car repairs, an increase of $72,898, between the two triennial periods which I have taken and by reason of engine repairs, $20,528, between the triennial periods.

Mr. Powell—Do you include trainmen in the car statement?

Hon. Mr. Blair—No, we do not include trainmen for a very important reason, for the reason that it depends entirely on the amount of business you have, as to whether the number of train hands will be increased. If you want to furnish all the facilities which the business calls for, and all the accommodation that the travelling public require, it might increase the cost of your train service, but train hands are not paid out of these items of expenditure, but out of another class of expenditure which do not go to build up the road. That, of course, is important in connection with the amount of business that is done, but it does not affect the other proposition in any degree. Now, the question which might fairly be put before this committee, and a question which might be fairly put to the country is this: Is there any better or improved showing, as compared with the control of my predecessor, brought about by spending less upon maintenance? The facts which I have referred to, as to the correctness of which I challenge criticism, enable me to answer that question in the negative. So, I think, I can fairly say that the argu-

On a Percentage Basis.

ment, if used, cannot be successfully used, and that it has been disposed of. I have admitted that we have an increased mileage of 169 miles. We have spent 10½ per cent. more than my predecessor spent during these years, taking them altogether, whereas during last year we had 14 per cent. more mileage. It may be said: By reason of your having 14 per cent. more mileage, you ought, therefore, necessarily, to have spent something more for maintenance and repairs, because you have more road to keep up. I mention that in order that I may put my view before the committee on that subject, and in order that it may not be supposed that I desired to present the question other than fairly, or that I intended to pass over any view of the question which might be criticised. It is correct that we have only spent 10½ per cent. during these years, more than the late government, under these three important heads, whereas during a period we had 14 per cent. more mileage. In that connection, I will call the attention of the committee to the fact that we only had this increased mileage during one year, and during four months of another year. We had during the last year, ending July 1, the full mileage of the extension to Montreal. We only had it during four months of the year preceding, so that during the three years in regard to which I have made a comparison, it would not be a fair argument to urge that the expenditure ought to be greater, because the mileage is greater, except to a very limited extent, for the reason that the whole additional mileage has not been in operation for half of this period. For half of this period, this additional mileage has been in operation, but we did not have occasion to make an outlay upon it to the extent that we would have, if it had been for years in our hands, for this very reason that 43 miles of the road were entirely new. As to the other portion of the road, one of the conditions under which we purchased it, was that it should be put in first-class repair, and $100,000 was taken out of the purchase price to be expended upon the road, so that we did not require to spend money upon what is called the Drummond County portion of the line. We have only been

Operating the Road for a Short Time,

and any person who has had any experience in any business, much more so, any person who has had any experience in railway business, knows that you must have a railway in operation for a considerable period before you can expect to realize results from it, which you might fairly anticipate after the lapse of a little time. You cannot expect that the business of the Intercolonial railway arising from its extension to Montreal would jump in a month, or six months, or a year, beyond what it has been during these three years. It will require a longer period, but under the same conditions of business, in five years, the business of the Intercolonial railway, by reason of the extension to Montreal may be greatly enhanced beyond what it is today, as it is today, greatly enhanced from what it was six months ago. These facts must necessarily be kept in mind if we desire to reach a fair, a just and reasonable conclusion upon the conditions as they exist, as to a large portion of this 169 miles we did not have to make any considerable outlay upon it, in addition to the outlay I referred to, upon the Grand Trunk railway end.

Mr. Haggart—Do you know the exact amount you expended over and above the $100,000?

Hon. Mr. Blair—I am informed it was about $15,000. If we owned the Grand Trunk railway portion of the line ourselves, and if we were operating it ourselves, you would see at a glance that we would have to bear the whole expense of the annual repairs which would be very considerable. But we only bear that expense in proportion to the amount of business we do on the line compared with the Grand Trunk railway and the other lines of railway that are using the road. Our percentage is small, and the charge we have to meet now or at any future time, must be small compared with the charge which we have to bear upon the rest of the Intercolonial railway which we own ourselves, which we operate exclusively, and in connection with which we get no contribution from any other source. In connection with the results as shown by the accounts for the year ending 31st June last, I would like to impress upon this committee another very important fact, and one which accentuates still more the value of that extension to Montreal. Wherever and whenever the opportunities are afforded me, I shall never cease to impress upon those to whom I am speaking, the utter weakness and the utter failure of the contention which the Conservative party in this house make with respect to the Montreal extension. It is a fact, Sir, that we were able in connection with that extension, not only to produce these results, but we paid the rental $210,000, and had a surplus in addition to it. We practically paid the interest upon the value of the property we acquired. We paid the interest at a higher rate than if we had owned it, because we paid at the rate of 4 per cent. on the Drummond County. Was there ever a railway bought by the Conservative government; was there ever an extension of the Intercolonial railway under their administration that contributed one dollar towards the interest upon the capital outlay? Not one. They never made any addition which contributed to the increase in the business as I have shown, but here we have an act of policy by this government which not only enabled us to produce better results as to the gross traffic upon the railway, but actually enabled us to pay the rental of $210,000 a year, and upon the Drummond County as part of it, interest at 4 per cent. upon the whole value of that road. Now, Sir, this came out of the profits. My hon. friend (Mr. Haggart)

Predictions Came to Naught.

ought to have spoken with some experience on this matter, because I understood him to say that at one time he had in his mind the extension to Montreal, although it did not take a very vigorous hold upon him, nor did it bear fruit, but he must have considered the question, and if he did consider the question he should have formed some idea as to what that policy was worth. However, the hon. gentleman (Mr. Haggart) would have us believe in this parliament that when we had the Intercolonial railway running for one full year and produced our accounts, we would show a deficit in addition to the deficit which he had, by a sum not less than the whole rental we were paying. The hon. gentleman (Mr. Haggart) on the authority of a gentleman who had been at the head of the department, and with all the weight that brought; when he was condemning this policy of the present government he deliberately predicted that we would show a deficit of $260,000. Now, Sir, as it turns out there is $60,000 the other way, and the hon. gentleman (Mr. Haggart) therefore, made an error in his calculation of $320,000 a year.

There is another thing that I anticipate will be stated here, because it is stated in the Conservative press with all show of particularity. It is said to us: Your results are misleading and fallacious; you never had a surplus of $62,000, because you have actually maintained the road out of capital and made improvements which were formerly paid out of earnings, and so no wonder you can show favorable returns under such circumstances. Well, Mr. Chairman, I challenge most emphatically the correctness of that statement. I say that I shall be able to convince the house that there is not a shadow of justification for saying that the results which have been accomplished have been accomplished by any such means. Even the opposition papers which are published along that line of railway which are bitterly opposed to this government and would misrepresent it without much hesitation if they thought they could make a point against us by doing so, even they do not say that the condition of the railway, and of the road-bed is not improved. The equipment, I am free to confess, the locomotives, largely, the new cars, have come out of capital. But, even as respects that portion of the expenditure, we have not had as large a proportion available to

The Correct Expenditure.

us yet as we are entitled to by reason of the increase in our mileage. When the line was extended by the late government from Riviere du Loup to Levis, the calculation was made that they were entitled to so many additional locomotives, so many additional passenger cars of various kinds, so many additional freight cars, and they got them; and they were paid for out of capital, legitimately and properly. Now, it is not an avower to say that I have got this equipment largely out of capital, because when we added 169 miles to the railway, we had necessarily to get additional equipment, and we have not yet got the proportion which the additional mileage and the additional business requires, as I shall show the committee before I conclude my statement.

Now, in these statements as I have put them to the committee, I think I have anticipated every reasonable argument that would be made against the legitimate character of the surplus which the last year's transactions have shown; and I think I have answered those arguments, and I think the conclusion must necessarily be drawn that we have this surplus of $62,645 to our credit, as compared to the deficits during the period of the honorable gentleman. The normal deficit got up to about $55,000; that was the honorable gentleman's last deficit; and if you will add that to the $62,645 of surplus which I have shown this year, you have, as between those two years, a comparative difference of $118,000, a sufficient sum to pay the interest upon $4,000,000 at 3 per cent per annum—I think a very fair showing, and a matter of

Legitimate Congratulation.

I am not going to make any boast with regard to this, from any personal point of view. I claim no credit particularly for myself. Whatever credit there may be due to the improved business, outside of the extension to Montreal, I think is fairly due to the increased activity and increased interest which the men employed on the Intercolonial Railway have exhibited. I have had no reason at all to be other than satisfied with the way in which they have responded to the demands I have made upon them. Nor do I wish to criticise the honorable gentleman in any serious way. I am entitled, however, to say that with regard to the honorable gentleman, that I do not think he took any interest in the Intercolonial Railway from the beginning to the end of his administration. I think he wanted the deficits to be cut down, and I think he would like to see a surplus; but, as to his making any study of the situation and devoting his talents to it—and I have no doubt he has exceptional talents—I am compelled to believe that the honorable gentleman gave very little, if any, of his ability to the administration of that railway. And I think that is a legitimate ground of complaint against the honorable gentleman, because there is no doubt that if the men employed on the railway know that the minister takes no interest in it, they take less interest, they become less careful and more lax, and you do not get the results that you would if the minister followed matters up closely, kept himself in close communication with the officers, advised with them, got their views and gave them his, and spurred them on to greater interest in their work. I venture to say that there is today, and has been for some time past, more activity displayed by the officers of the Intercolonial Railway than there was during the honorable gentleman's administration; and any one who travels over that road will acknowledge that the character of the service, the character of the men engaged in the service, the attention people get, and every other element that goes to make the popularity of a railway, have been improved in recent years beyond what they were during the administration of honorable gentlemen opposite. I do not pretend to say that down to the present moment the railway is all we desire it to be. It is deficient, no doubt, in many particulars. It is deficient in its equipment; it is deficient in the number of its locomotives and in the number of its cars. But it is improving. The money we are spending on it we are spending to better purpose and with better results than was formerly the case; and I am in hopes that in four or five years we may have that railway, in all respects, one which will compare favorably with any other railway in the dominion.

This brings me to the subject of

The Capital Outlay

upon the Intercolonial. I will make a comparison between the expenditure in that particular under the late government and the expenditure under myself down to the present date. The capital expenditure, in round figures, was as follows:

1890-1	$ 80,000
1891-2	320,000
1892-3	297,000
1893-4	437,500
1894-5	327,000
1895-6	260,000

Under the present administration, the capital expenditure has been as follows, in round figures:

1896-7	$ 149,000
1897-8	253,000
1898-9	1,082,000

Of the latter amount $640,000 was for rolling stock, and there was no corresponding item for the rolling stock expenditure out of capital during the recent years of the honorable gentleman's administration. Comparing the three years of Liberal administration with the six years I have given you of its predecessors, the comparison would be, I think, not at all unfavorable to this government, having regard to the fact that we have put the equipment of the railway into the condition in which it is today and which is infinitely better, I think, in the judgment of everybody than it ever was before. We have an entirely improved class of locomotives and service. There never was a dining car service until since the change in the administration. There was no such thing as a vestibule train, the locomotives were of inferior class, and therefore the expenditure which has been made on capital account has produced results which amply justifies it.

All on Capital Account.

Look at the items which go to make up that expenditure closely, and you will not find any of the class which are included in the statements that I have read. These expenditures, every dollar of them, on capital account, are outside of the amounts I have named as paid out of consolidated revenue account, so that the statement cannot be accurately made that we have kept the road up in the condition in which it is by reason of the capital account. An examination of these figures will demonstrate the incorrectness of such a conclusion. Among the items for which we have asked appropriations on capital account, there is only one about which any possible question can be raised, and certainly it cannot be raised with any force. There is only one concerning which it can be contended, with any show of argument, that a similar class of items was charged by our predecessors against revenue. That item is the sum that we have obtained for the strengthening of the bridges on the road. As a matter of policy, owing to the increased weight of engines and trains, it has become imperatively necessary that there should be a strengthening of the bridges quite generally upon the railway. They were built for lighter engines, and must be strengthened if they are to be crossed by heavier engines. When the vote of last year or year before—I do not remember which—was under consideration by this committee, there was a vote on capital account for strengthening the bridges, and I was asked whether it had not been the policy of the late government to expend upon revenue account all that was necessary for the strengthening of these bridges. I stated that I did not think that that was the policy of the late government, although I admitted that there were one or two instances in which that had been done; but I endeavored to point out that there was no similarity between the classes of work done in the strengthening of bridges by the late government, and what we now propose to do. We are proposing to spend—not all at once, but in two or three years—$200,000 or $300,000, and in referring to what expenditure was made by the late government for the strengthening of bridges, I pointed out that they had only strengthened two or three bridges. I think they were the two Miramichi bridges and the one across the Restigouche.

Mr. Powell—And the Sackville bridge.

Hon. Mr. Blair—I beg my hon. friend's pardon. Not one beyond those three I have named.

Mr. Powell—The Sackville bridge was not charged to capital.

Hon. Mr. Blair—If rebuilt or strengthened, it must necessarily have been built out of capital, because I have had the whole records of the correspondence upon all the bridges on the Intercolonial railway searched with the utmost thoroughness from beginning to end, with the result that there were only these three bridges, the two Miramichi and the one at Restigouche, and upon those the total, laid out for strengthening, was only $36,-000 or about $15,000 a year extended over two years.

But no one, with any desire to be fair, will say that because the late government put in a few additional braces and strengthening rods into three of their bridges, during the whole period of their management of the road, at an outlay of $18,000 a year for two years, I ought to be expected to spend $300,000 in completing, renewing and constructing the whole bridge system of the Intercolonial railway, and I ought to do that out of earnings. There is no reason or common sense in doing that. If the argument is made that we ought to do this in order that there may be a continuity in the system and a fair comparison between one administration and the other, then I say the very statement defeats itself. There is no comparison between spending a trifling sum for two years upon some additional braces and the strengthening of three bridges, and spending some $300,000 in practically renewing bridges. What are we doing? We are replacing one-half nearly of these bridges by new bridges. We are not in any such sense strengthening the existing bridges; but we put two small bridges together so as to double the strength. We have taken a bridge up at one place and put it alongside a bridge in another place. The bridges were good, they did not require repairs, but practically a renewal, and we took that method of doing it. We put an entirely new bridge down double the capacity of the old bridge which we took up. And I maintain that if any person desires to make a fair comparison between our expenditure upon maintenance of the Intercolonial railway and our predecessors' expenditure for the same service, he will compare on the same basis the work we have done and the little trifling repairs for strengthening bridges and so on which they have done.

On the following evening Mr. Blair dealt with the position of the Intercolonial during the current year.

LOCAL MATTERS.

HAVE YOU TRIED DOWNING'S FAMOUS LEMONADE TABLETS?—One tablet will make a pint of lemonade. The best thing for picnics or outing parties. Send 10c. for trial package to Victoria Candy and Fruit store, corner Duke and Sydney streets, St. John, N. B.

There were 23 marriages and 40 births registered in St. John last week.

Hereafter all export entries at the custom house must be duplicated.

Tenders are being asked for the building of a new Catholic church at St. Martins. Mr. H. H. Mott's is architect.

The ladies of the Sewing Society of St. Paul's church, Rothesay, will hold a high tea and fancy sale Wednesday, July 11th.

The river steamer May Queen had one of her tube blown out yesterday at Chipman and was delayed three hours.

At Barabados on Friday molasses advanced one cent. It is now worth 18 cents which is two cents higher than it was two weeks ago.

Friday, lightning destroyed John Miller's barn at Chapel Grove, with hay and machinery. There was no insurance. E. Stevens' barn at Ingleside was also damaged by the lightning.

During the year ending June 30 there were imported 10,384 packages of molasses and 10,038 packages of sugar to St. John an increase of 4,000 packages of molasses and 4,400 of sugar over 1899.

The board of health issued five burial permits last week, the deaths being caused one each by pneumonia, consumption, naural causes, injuries, congestion of lungs.

During June the customs receipts here were $71,774.11, an increase of over $12,-000 as compared with June, 1899. The total St. John customs receipts for the year ending June 30 were $906,032.98 which shows the great increase of over $130,000 over the total for 1899.

Mr. William Simonds of the C. P. R. returned Saturday via Rimouski from a visit of a couple of months to his former home in England. He also toured England and spent a week at the Paris exposition which he describes as a great show and one which would require months to see properly.

The deposits at the St. John branch of the Savings Bank for the year ended June 30, as compared with last year, were:

Year ending June 30.	Deposits.	Withdrawals.
1899	$610,835 56	$731,835 35
1900	686,233 13	738,776 42
Increase	$75,397 57	$6,941 06

The deposits at St. John for June were $59,160 37; withdrawals, $56,981 14.

The New Election Bill Under Discussion Saturday.

Ottawa, July 1—(Special)—The dominion elections bill was under discussion all day in the house yesterday.

Before the bill was taken up, however, an item of $900,000 for expenses on the Intercolonial and various sums needed to wind up the business of the financial year which ended yesterday were passed.

Provision was made in the bill to prevent Canadian soldiers who are in South Africa being debarred voting by any reason of their absence. If their names are omitted from the roll they can vote by taking an oath which will be included in the bill. Hon. Mr. Fitzpatrick also said that he would make provision for those soldiers who have come of age since they left.

The bill was also amended so that the voter should place his mark to the right of the name of the candidate for whom he voted.

A long discussion took place on the hours for voting on election day, but it was finally decided to leave them as at present.

The house adjourned at 6 p. m.

An Admiral's Death.

New York, June 30.—Admiral Philip died at his home today. An organic affection of the heart was the cause of his death. He was taken ill about 11 o'clock Thursday night. By today his condition had become so alarming that a consultation of physicians was held. Nothing could be done for the sufferer and he died at 3.15 p. m. His wife was at his bedside when the end came.

During the war with Spain Admiral Philip commanded the battleship Texas and participated in the destruction of Cervera's fleet as well as in the other important naval movements in the West Indies during that war. Upon being raised to the grade of rear admiral by the passage of the naval personnel bill he became commandant of the Brooklyn navy yard.

More Evidence of Growth.

Ottawa, July 1—The customs revenue still goes up. The receipts for the financial year ending yesterday show an increase of $3,218,429 over the proceeding year. The figures are, 1898-99, $25,348,808 as against $28,567,237 for 1899-1900. There was an increase for the present month of $183,613 over June, 1899.