

which should have been charged against capital expenditure just as much as the cost of laying the rails in the first instance was charged. Then, if the Intercolonial Railway take down a wooden bridge and put up an iron bridge in its place, I think the difference in the price ought to be charged to capital account. I think the argument advanced to the House by the hon. member for Westmoreland (Mr. Wood) and by the hon. member for Pictou (Mr. McDougald) should be fairly considered when we are considering the cost of the Intercolonial Railway, because as was pointed out by the hon. member for Pictou (Mr. McDougald) when we deduct what ought to be charged to capital account the deficit is very much reduced. However, I am further prepared to say that, if the system of keeping the accounts of the Intercolonial Railway were similar to that in regard to the canals in the Province of Ontario, the deficits would appear very small indeed. I find that last year the total receipts of the canals were \$345,000 charged to income, and \$1,065,000 charged to capital account. I find that there was \$204,000 for repairs, and \$294,000 for the staff.

Mr. HAGGART. That is a mistake.

Mr. HAZEN. That is as I find it. I find that \$204,000 for repairs in connection with the canals is charged to capital account. If such expenditures on the Intercolonial Railway were charged in the same way against capital account as these expenditures on the canals are charged in the Western Provinces, the amount of the deficit would be far less than it appears to be. However, the fact remains that we have a deficit on the Intercolonial Railway. It is true that it was never contemplated when the road was built, that it would pay the expenses of management for many years, and it was expected by those who advocated the confederation of the provinces, that it would be a means of communication between the different provinces and that, from a military standpoint, it would be a great benefit to the Empire. Yet though that is a fact, we have meeting us this session the fact that the deficit during the current year will probably be greater than during any previous year in the history of the Intercolonial Railway. This is a serious matter to face, and it is only fair that we should consider what means can be taken, without impairing the service of the Intercolonial Railway and without prejudice to the interests of the people, to make the revenue and expenditure more nearly balance than they do at the present time. Now, the Minister of Railways, I am pleased to know, has been giving a great deal of attention to this subject. I think that after the hon. gentleman goes over the Intercolonial Railway at the close of this session, as he promises to do, he being a practical man, will see many things that ought to be changed in the interest not only of economy but also in the interest of the efficiency of the road. The Minister of Railways has grappled with the subject, and has so far come to the conclusion which he has stated to the House that he intends, in the first place, to dispense with the services of 210 employes on the Intercolonial Railway, out of a total number of 4,181; and he hopes by this reduction to effect an annual saving of \$95,000 a year. In the second place, he tells us that he has come to the conclusion that there are a number of trains on the Intercolonial Railway that

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can be dispensed without impairing the efficiency of the service, and he intends to cancel those trains. I think the Minister stated to the House that by so doing he will effect a saving of \$418,000 a year, and adding to this amount the saving he expects to accomplish by the reduction of the staff, he expects to affect a saving altogether of \$513,000 a year, which will go a long way towards meeting the deficit which we have on the Intercolonial Railway at the present time. Now, I do not think there is any member of this House who will say that the Minister is not justified in dispensing with the services of 210 officials, or more officials, if the service does not require them, and if the affairs of the road can be carried on quite as well without them. In the second place, I do not think there is a member of this House who would dispute for an instant that if there are trains upon the Intercolonial Railway that are being run at a loss, and that are not necessary for the public service, they should be cancelled. I think it is the feeling of all the members of this House, whether they come from the Maritime Provinces or from the Western Provinces, that the road should be managed prudently and economically, provided it is managed in such a way as shall not impair its efficiency nor diminish its usefulness. That is the plan the hon. member suggests for reducing a part of that expenditure. It is perfectly clear from evidence that was given before the Public Accounts Committee some days ago, that there are certain trains on the Intercolonial Railway that can be dispensed with just as well as not. It will be remembered that evidence was given before that committee as to a train that leaves the city of Halifax twenty minutes, I think, before the Canadian Pacific Railway train leaves in the afternoon which runs as far as Moncton. The result of that arrangement, it seems to me, cannot be attributed to anything else but bad management. The result is that the Intercolonial Railway train leaving twenty minutes before the Canadian Pacific Railway train which runs from Halifax to St. John, gets no passengers to take to Moncton at all; the passengers wait the extra twenty minutes and take the Canadian Pacific Railway train and go through by that. It appears that that train costs the country some \$275 a day. By doing away with that train he will save the country about \$80,000 a year. Now, with regard to the deficit upon the road, it appears from the statements of the Minister that the management of the Intercolonial Railway has not been extravagant. From personal observation and experience I can say that the salaries paid to most of the officials on that road are entirely too small, and much less than men employed in those positions would get had they given the same intelligence, and the same amount of attention, and the same amount of industry to a position in any other walk of life. The Minister has told us that the actual cost per train mile of the Intercolonial Railway is 72 cents. From the figures which he read of the expenditure on the Intercolonial Railway, I came to the conclusion that they compared favourably with the expenditure on the Canadian Pacific Railway and the Grand Trunk Railway, and on many other roads in this country. That is clear evidence, I think, that the management of the Intercolonial Railway has not been extravagant. But the trouble appears to be on the other side of the sheet. We find the receipts per train mile on the Intercolonial Rail-