

the assistance which had been given by the Canadian government to the agricultural interests. Was it wise to allow this to be done? It is true that years afterwards, it might be replaced; but in the meantime, what would be the result to the dairying interests of the country? Are those interests of importance? Why, their importance is recognized by every hon. member of this House; they have been recognized by every parliament that was ever convened in session here; for, year after year and session after session, votes have been given in favour of that industry. The Intercolonial Railway, again the pack-horse, took that burden upon itself, and it is charged up as another item in the deficits of the road.

Now, I have referred to the long route, to the water competition and to the low rates. Let me take you a little further and emphasize a little these particularly low rates. In comparing the long haul on the Intercolonial we are guided by the mileage to St. John of the Canadian Pacific Railway; that is to say, while we have to go hundreds of miles further, while the wheels of our cars must revolve many times more, yet, in the distribution of our portion of the through traffic we are governed by what is known as the short haul by way of the Canadian Pacific Railway. Let me invite the attention of the House, at this moment, to the reason why this was done. You had built your Intercolonial to Rivière du Loup; you had extended it from Rivière du Loup to Levis, and, in addition, you had constructed what is known as the St. Charles branch, and had spent hundreds of thousands of dollars in doing it. Subsequently you extended the road from Levis to Montreal, by what is known as the Drummond county route. But, while all this was going on, what else were you doing? This House and this country, in order to have a short line from Sherbrooke across the state of Maine to the city of St. John, gave assistance to the Canadian Pacific Railway for the construction of that line. This was in addition to the assistance given to the Canadian Pacific Railway in other directions. Therefore, for the last twenty years, you have been paying \$186,000 a year in order to have that railway in competition with the Intercolonial. I am not taking exception to that; but it was done, and it is a contributing cause to the low rates which we are compelled to accept on the Intercolonial for carrying our traffic from the west to the east. I think it was a very worthy expenditure; certainly it was an expenditure having for its object the stimulating of the trade in Canadian products by way of Canadian ports—if not all the way over Canadian soil, certainly by Canadian ports. Now, I do not know how long you have continued that in order to stimulate traffic by way of St. John. Under the Act of parliament which authorized that expenditure it was to continue for twenty

Mr. EMMERSON.

years, which period has not yet expired. But the fact that we have that line makes it necessary for the Intercolonial, in computing its freight rates, to be governed by what is known as the short haul, though it hauls the traffic very many miles in addition. Our longest haul therefore, is approximately 800 miles. The great bulk of the way traffic on the railway—which gives profitable earnings—is limited to about 400 miles. That is true of all railways, as I understand it, and is not exceptional in the case of the Intercolonial. On the basis of the haul of 400 miles, our earnings from way freight are about 63 per cent of those of all other railways in Canada. That is to say, that where the other railways in hauling 400 miles are entitled to, and do receive \$1 we receive only 63c. On our long haul mileage basis, our rates are not quite 50 per cent of theirs, on the average. That is, where the other railways would receive \$1, the Intercolonial receives in one case 63c. and in the other case 50c. Is it any wonder that there are deficits on the Intercolonial?

Mr. HAGGART. Oh, oh.

Mr. EMMERSON. My hon. friend (Mr. Haggart) recognizes the fact as we do. He recognizes also the necessity of it. He contributed to the conditions which made it necessary, and during his regime as Minister of Railways he certainly made no effort to change the conditions.

Now, as to the passenger rates: The comparison of fares on distance basis, between the Intercolonial and the Grand Trunk Railway in the district west of Toronto and on lines north of the main line, where a rate of 3 cents per mile is in force for 400 miles, shows that we collect about two-thirds as much as they do for a first-class fare; we issue second-class fare where they issue none, and our return fare is 60 per cent of theirs. Comparing the Intercolonial passenger traffic with the Grand Trunk traffic on the basis of 200 miles—that is from Montreal to Berlin, New Hampshire where a 3½ cent rate is in force—we find first-class fares on the Intercolonial 76 per cent of those on the Grand Trunk; our second-class fare is about 50 per cent of theirs, and our return fare is about 58 per cent of theirs. On the basis of 108 miles on the Canadian Pacific Railway from Montreal to Kemptonville, where a 3½ cents per mile fare first class, and 2½ cents per mile second class is in force—our fares are, for first class \$3 against their \$3.50, for second class \$2 against their \$2.50 for return fares, \$4.50 against their \$5.85.

It is obvious that if the Canadian Pacific Railway and the Grand Trunk were compelled to reduce their freight and passenger rates to the Intercolonial basis, it would not be long before these railways would be in the hands of a receiver; it would not be