

—with their farm implements, their wag-gons, their trucks, their flour and so on, all of which have been carried at much cheaper rates than those applicable to transportation to other parts of the country. And what have they had to pay for that service? What has been the cost of the prosperity which has thus been brought about? Until two years ago, a deficit each year in operation of a few hundred thousand dollars.

To show that the Intercolonial has not, after all, been such a burden as people are apt to think, I wish to quote the statement of no less an authority than the present Minister of Finance (Sir Henry Drayton) as contained in the Drayton-Acworth report of 1917—a report which has commanded the respect and attention of the people of Canada. It has commanded also my respect and attention, although there are a few things in it with which I do not agree, particularly the suggestion as to the advantage of the Grand Trunk railway coming into the hands of Canada. However, I wish to give this quotation; I am sorry the Minister of Finance is not in his seat.

Mr. McMASTER: He is worried about his budget.

Mr. TURGEON: I suppose his budget is a matter of more importance just now than the few remarks of the back-bencher from Gloucester. Here is what the Drayton-Acworth report has to say with regard to total deficits on the Intercolonial during the twenty-eight years prior to the year in which this report was made:

Whatever question there may be as to the propriety of endeavouring to earn interest on capital, it will hardly be questioned that the line ought to be so managed as at least to earn operating expenses, including therein a proper allowance for taxes. And even ignoring the early history of the undertaking, and considering merely the years from 1889-1916, during which the greatest advance has taken place in Canada and the traffic of Canadian railways has shown the greatest increase, the Intercolonial has paid no taxes and still not earned operating expenses. During this period the total operating deficits reported amounted to \$11,188,885.50. The total operating surpluses amounted to \$1,651,239.73. In addition, however, there was in the years 1912-16 an amount of \$3,046,406.86 charged to working expenses and devoted to renewals, which under the accounting methods in force before that date would have been credited to surplus. Adding together these two latter figures, and deducting them from the deficit, we find that in the 28 years from 1889-1916 there was an accumulated deficit on operation of \$6,491,232.91.

A deficit of \$6,491,000 on the Intercolonial at the expense, I will admit, of the
[Mr. Turgeon.]

whole people of Canada, during 28 years, means a deficit of between three and four hundred thousand dollars a year. If the new Board of Management had been able to operate, at the same rate of deficit, the railroads which are under their control to-day, and which have about eight times the mileage of the railroad operated during those 28 years by the governments of the country, they would have come before the people of Canada in the last few years with a deficit of some two or three million dollars a year. If they had done so, every Canadian would take off his hat to the board and say: "Go ahead; we have a prosperous country." The present situation, therefore, shows that there is something wrong with the administration. Moreover, as I stated last year, before this Board of Management took over the Intercolonial, it had a deficit of a million dollars some years, a million and a-half one year and a surplus another year; whereas, last year under the commission, there was a deficit of \$4,500,000 for the Intercolonial alone, not counting the different branches that have been taken over, and this year there is a deficit of \$6,500,000. My hon. friend is one who brought in a surplus during his administration and his late respected predecessor also brought in a surplus. I judge of the immense deficit on the Canadian National railways by the accrued deficit on the Intercolonial. If the Board of Management had operated the National railways at the same rate of deficit as that of the Intercolonial during that twenty-eight-year period, we would say: the Board of Management had done well. We would encourage them to continue and to bring prosperity to the country; but the deficits during the last few years have been increasing by leaps and bounds, so that there must be something wrong with the administration. The Minister of Railways must devise some means by which these deficits will be stopped, and if not changed into surpluses, at least brought to a condition which will give renewed hope to the people of Canada.

I am presenting these observations to the committee, and especially to the Minister of Railways and Canals, I am not actuated by any desire to make, as he said, a political football of the road. We must, however, consider the policy of the Government in the light of the railways that we have to-day. Until two or three years ago, it was the habit of hon. members on the Government side to deplore the deficits