

allow the Bill to pass through, the Government will be here all the time and will be held accountable.

Committee rose.

### SUPPLY.

House again resolved itself into Committee of Supply.  
(In the Committee.)

Extension of shed to repair cars, at Richmond....\$2,500

Mr. DAVIES (P.E.I.) Before this item passes, I want to resume the discussion which took place before the House adjourned upon the position of the Intercolonial Railway and to recall the attention of the House to statements then made with reference to that condition. Now, it is stated that the loss on the Intercolonial Railway last year was over \$363,000, it behooves us to see what are the causes of that loss. It is known to hon. gentlemen on both sides that, in addition to that loss, we lose the interest on the capital invested which amounts to over two million dollars. Putting that to one side, you will find a serious state of facts exists that we are losing at the rate of \$350,000 a year, and it is proper that we should enquire into the causes of this loss. I hold the report of the Minister of Railways, and I find that the cause of this enormous loss is attributed by the chief superintendent to the fact that they are carrying coal from the Springhill Mines to the Provinces of Ontario and Quebec at losing rates. The report says:

"For several years past I have drawn attention, in the annual report, to the extremely low rate at which this coal is carried. There can be no doubt that is one of the chief causes of the annual deficit."

We have these two facts before us, that, in addition to the interest on capital expenditure, we make a loss on the running of the road besides of \$360,000, which is attributed by the chief superintendent to the fact that he is compelled by the Government to carry coal from Springhill mines to the Western Provinces at a rate which does not pay, and that he has drawn attention to that every year in his annual report. The only answer given by the junior member for Halifax (Mr. Kenny) was that there has grown up quite a large village or town around Springhill. That is the compensation given this country for the \$350,000 loss annually incurred on the Intercolonial Railway. I think that is no compensation whatever. Springhill existed before we commenced to carry this coal at this non-paying rate, and the fact that a few hundreds or thousands of people may be congregated there does not add very much to the aggregate wealth of the country. It has only drawn these people from other employments, probably profitable employment, in order to concentrate them in this village. It is no benefit to the country that the population has increased, if that increase is the result of a decrease in other parts of the country. I want to call the attention of the Committee to the fact that the \$360,000 of loss incurred by this country last year, owing to improper carriage of coal at non-paying rates, does not by any means represent the actual loss which the country has incurred. I will ask the attention of the Committee for a moment while I refer to this report of the Minister of Railways. He points out that a very large sum of money was spent last year and in previous years in improving the rolling stock of that road, and the principal reason for that expenditure was to provide accommodation for the increased coal traffic. The fact is that they undertook to carry coal for nothing, and they not only lose money in carrying it but also have to provide new rolling stock for the purpose. He says:

"New rolling stock, further provision of which was necessary mainly for the accommodation of the increase of the coal traffic and other freight."

When I turn to the expenditure to find how much they spent for rolling stock last year in order to enable them to  
Mr. KIRKPATRICK.

carry this coal for almost nothing, I find that the country is charged \$258,334 for rolling stock. That is an expenditure and a loss which can be chargeable to the policy of the Government of carrying coal for nothing or almost nothing.

Mr. FOSTER. Is that all for coal rolling stock?

Mr. DAVIES (P.E.I.) I did not say so. I said it was in a large measure. The Minister follows up his statement by saying:

"The rates charged for coal transport are not directly remunerative to the road."

I see, by the report of the chief superintendent, that a large portion of this expenditure has been caused simply by this policy of the Government of carrying coal for nothing or almost nothing, and I read the report of the chief superintendent in another place where he says that is one of the chief causes of the deficit. More than that, I find in the Supplementary Estimates brought down yesterday that, in addition to the \$258,334 for rolling stock, the Government spent, under Governor General's warrant, without a vote of the House, \$170,000, making a total of \$428,334 for rolling stock last year. In addition to the loss on the actual running expenses, there was charged this large amount to capital account last year for rolling stock, and the chief amount of that, according to the report of the chief superintendent, is required for the carrying of coal from Springhill at non-paying rates. They have incurred this enormous expenditure for this rolling stock in order to carry coal, and, after building this rolling stock, they find they have no place in which to house it, and they ask Parliament for a large increase of expenditure for buildings to accommodate this rolling stock. We are asked to vote \$67,500 for increased accommodation at Moncton. What is that for? If I understand the report of the chief superintendent aright, this expenditure is required simply to provide accommodation for this rolling stock which has been built to carry coal for nothing. On page 17, Mr. Pottinger, the chief superintendent, says:

"It is expected that during the coming winter the volume of ocean borne traffic will increase very materially, and that the quantity of coal going to points west of the Chaudière will be greater than heretofore. To ensure the rapid transport of this freight, the box car stock is being increased by 200 cars, and there will be about 22 more locomotives in the service than there were last winter, when, as is well known, great difficulty was experienced in moving the traffic promptly, owing to the insufficiency of the engine power, in consequence of which the engines were run day and night, in order to push the freight forward, and to cause as little annoyance to shippers as possible.

"A difficulty, however, now presents itself. There is not stable room enough to house our engine stock, and no less than 20 or 30 engines are nightly exposed to the weather in the open air at Moncton. It has also been found impossible to effect the necessary repairs in the Government shops, as they are insufficient in size to receive the number of engines offering for repairs. I, therefore, propose to ask for an appropriation on capital account, to cover the cost of a full circle engine house at Moncton, an addition of 112 feet by 200 feet to the machine shops there, and some additional machinery. Unless those be provided, the engine power must suffer severely from exposure and from want of proper maintenance.

So the result is that, in order that we may force an artificial trade against the laws of nature, and carry this coal for nothing or next to nothing from the Lower Provinces, and sell it in Quebec or Montreal, we incur an annual loss on the working expenses of about \$363,000, which the chief engineer attributes almost entirely to this coal traffic.

Mr. DICKEY. Will the hon. gentleman read the portion of the report which states that this is due to the coal traffic?

Mr. DAVIES (P.E.I.) I read it before—

"For several years past I have drawn attention in the annual report to the extremely low rate at which this coal is carried, and there can be no doubt that it is one of the chief causes of the annual deficit."

That is at page 26. He follows up that statement with the other statement which I have given. When I was interrupted by the hon. member for Cumberland (Mr. Dickey), I was saying that this enormous sum of \$363,000 deficit on working expenses is mainly chargeable to that fact, but last