

HON. MR. TUPPER said the Government would be in a much better position after they had ascertained what the necessary expenditure would be, and the revenue which would be derived, to determine whether they would not work the road by means of a company. As the hon. Premier had promised to lay on the table of the House a report from the Dominion Government engineer, the subject would come more properly before the House when that document had been submitted.

HON. MR. MACKENZIE said it was utterly impossible to work the road during the present season on account of the heavy snow storms on the Island. An attempt was made during a number of days when the heavy storms commenced, but with all the powers of the engines and with hundreds of men at work they were obliged to relinquish the effort. The momenta of an engine and accompanying train on a narrow guage was not able to cope with the heavy snow storms of the Island.

The item was passed.

On the item of \$33,000 for telegraph lines in British Columbia,

HON. MR. MITCHELL asked for explanations.

HON. MR. MACKENZIE said the vote was for current expenses for working the lines, and the \$6,000 additional over last year was to meet the expense of laying a cable.

MR. THOMPSON (Cariboo) asked if the cable that was being laid was included in the estimate.

HON. MR. MACKENZIE said it was. The estimate of the Chief Engineer of the Department gave simply these details:—For the payment of salaries, \$24,000; renewals and repairs, \$9,000.

On the item for \$4,000 for agent and contingencies, British Columbia,

HON. MR. CARTWRIGHT explained that the item was a transfer from the Civil Government to Public Works chargeable to revenue.

The item was passed.

On the vote of \$1,689,500 for Post Office service,

HON. MR. MITCHELL asked whether the contract of the Gulf Ports Steamship Company did not expire last year; whether, when that contract was renewed, tenders were advertised; whether the Government

had any information that there was any person desirous of competing for that service; and whether or not the Government did award the contract without tender.

HON. D. A. MACDONALD said he had no knowledge that any tender was offered for that service. Certain parties came to him and insisted on getting \$24,000. He (MR. MACDONALD) refused that and finally gave them \$16,000. That was done in the usual way: when a contract could be reduced, it was very seldom that tenders were called for.

HON. MR. MITCHELL said if his memory served him right the contract with the Gulf Ports Company expired last year. Knowing this he intimated to the Postmaster General, having met him just at the corner of Metcalfe street, that if the subsidy was to be continued, the company with which he (MR. MITCHELL) was connected would like to compete for it. The hon. gentleman replied that due notice would be given of the contract was to be let. He (MR. MITCHELL) intimated the same to another member of the Cabinet. The trade along the St. Lawrence, when the subsidy was commenced was carried in one steamer with a capacity of 1,000 tons, the *Lady Head*, running between Quebec and the Lower Ports. There were now twenty steamers with a capacity of from 3,000 to 9,000 tons each, engaged in the trade. It was understood by the predecessor of the Postmaster General that this subsidy was to be discontinued at the end of the contract. With the increased trade and the competition of other lines, the public money should not be expended in that way. The pledge given him by the Postmaster General was not carried out. No doubt if escaped his memory, but he would say no more on that point. What he complained of was the principle of giving a subsidy to one line where there were two other lines competing for the trade. It was unfair to the other companies. But he was told that the Gulf Ports Company initiated the business. That was not a fact. The business was in existence long before that Company was organized. If the old Government continued the subsidy longer than they should, they should be condemned for it; it was no justification for the wrong doing of the present Administration. He held that the Government had done a great injustice to