

chose to leave it, for he was not willing to be told next session that the railway which was thus received was not paying expenses. He was not condemning the Government, but he wanted to know that the railway was handed over in a proper condition.

Mr. SINCLAIR said the Dominion Government did not pay a dollar for the building of the Island railway. At the time of Confederation the whole of their liability under this head was charged against the Island, and there was deducted from the subsidy due to the colony \$200,000 a year on account of the railway. All the Dominion Government had to do was to run the road. An amount of \$200,000 was placed in the estimates for running the road, and against that there was to be placed the whole of the earnings. He had no doubt that within a very few years the road would pay itself. The Provincial Government had to look after the carrying out of the contract for building the road; all the Dominion Government had to do was to see that the bonds were paid. The Provincial Government let the contract and appointed an engineer to see its provisions carried out. If locomotives had been accepted which were in a bad condition, the Government engineer was responsible because he had certified in favourable terms. It was currently reported that the Island was handed over in a bad condition, that there were steeper grades and sharper curves than were provided for under the contract. The Dominion Government were not responsible for that state of affairs, because the Local Government had full charge of the work, and had an engineer in charge. He (Mr. SINCLAIR) understood that the road had been taken from the Local Government under protest, and it would be a question as to who had to pay for any defects. The contractors would get clear of their responsibility when the Government engineer certified that the road was completed; he had so certified and that would clear the contractors, and the question, therefore, now was, if there were defects, whether the Dominion or the Local Governments would have to remedy them.

Mr. DOMVILLE remarked that Mr. POPE, of Charlottetown had offered to take the railway and work it at his own expense, at all seasons of the year. Yet that railway, which had cost so much

money, was now buried under the snow. He hoped that the railway would not be accepted unless we received a *quid pro quo*, and that any claim put in by the contractors SCHREIBER and BURPEE would be examined carefully before being paid.

Hon. Mr. MACKENZIE said the Dominion Government had nothing to do with extras. If the Local Government had allowed extras they would have to pay them, or if the Dominion Government paid them, they would be charged to the Island at the rate of interest mentioned in the Confederation Act, viz.: five per cent. The curves and grades of the line seemed to be excessive, but whether they were in accordance with the contract or not, he was not then able to state. Mr. BOYD, acting as engineer by the Island Government, stated that they were, whereas the Dominion engineer said they were not in accordance with the contract, and the work was not what it ought to be. There were some grades seventy to seventy-four feet per mile, and one or two curves on branches—not on the main line—with a four hundred feet radius, which ought to be much larger for ordinary traffic. This was a narrow gauge railway of 3 ft. 6 inches, and it was said that short curves were no disadvantage. The rolling stock was smaller than on lines of the ordinary 4 ft. 8½ inch gauge, but it was evident that a high rate of speed could not be made with such short curves and steep grades. When the report made on behalf of the Dominion Government was printed, the House would have the fullest information on the subject.

Hon. Mr. TUPPER asked what return was anticipated from the working of the railway. An item was put down for annual expenses, \$115,000. Had any estimate been made of the revenue likely to be derived?

Hon. Mr. MACKENZIE said various estimates had been made, but they were utterly unreliable. The maximum estimate was \$150,000. With regard to the offer of Mr. POPE, he might state that a simple telegram was received from that gentleman stating that he would be willing to work the road without any subsidy from the Government. He (Mr. MACKENZIE) simply replied that the Government were not in a position to enter into any arrangement with regard to that undertaking.