

to complete that railway, and we will give more attention to that when we come to the Supplementary Estimates. I say that it is time we should put a stop to this system, and whoever else does not I shall at all events protest against it.

Mr. ELLIS. I will not say the hard things which my hon. friend (Mr. McMullen) says about the Government with regard to the Intercolonial Railway, if they will make an effort to meet the commercial requirements of the people of Halifax and St. John at the *termini* of the road. That effort has not been made at all. The complaint made by the hon. member for Halifax (Mr. Jones) and endorsed by the hon. member opposite (Mr. Kenny) is, that the management of the road is so far removed from the centres of the population along the line that there is no convenient way of approaching the management. If Mr. Schreiber happens to be any distance from Ottawa, or if he happens to be in Ottawa and not in a mood to attend to the business of the railway, it would seem to be apparent to the people of St. John, at any rate, that he does not attend to it. The persons who represent him at Moncton have to await his will and pleasure, or to await his making up his mind on a question, and very often great delay occurs when important questions are put to them with regard to the management of the road. Again, at Halifax and St. John there are no agents of the road in the sense of persons able to make any contract or to take up any representative position with regard to giving freight rates, or making arrangements such as ought to be made in large cities. Now, Sir, it does appear that the deficit of the road increases in a larger proportion year by year as the receipts increase. The hon. member for Halifax (Mr. Kenny) has pointed out that certain American railways are carrying coal at three-tenths of a cent per ton per mile and I presume they are making a profit. If that be so why cannot the Government of Canada make a profit on the coal that is carried on their railway. One reason of that I think is the enormous expense of the superior management of the road. There are too many officials and there is too much expense for management which does not directly reach the running of the railway. I will call your attention to this fact. In the year 1886 the loss on the running of the Intercolonial Railway alone was \$106,042, and the total loss including the Eastern Extension and the Prince Edward Island Road was \$190,637. In 1887 the loss on the Intercolonial Railway was \$232,105 and including the Eastern Extension and Prince Edward Island Road the total loss was \$311,901. In 1888 the loss on the Intercolonial Railway was \$363,657 (the loss on the Intercolonial Railway has just doubled in two years) and the total loss including the Eastern Extension and Prince Edward Island Railway was \$454,823. The total loss on the Intercolonial Railway in three years in the running expenses was \$701,694 and on all the Government railways in the Maritime Provinces it was \$956,461. Now if the statement is correct which the hon. the Minister of Finance put forward—and he put it forward with considerable effect in his Budget speech—that there was a constant growth of trade between the Provinces, why is it that with that increase of trade there is a constant increase of loss in the running of that road? It would seem to be a natural inference that if trade is increasing, the deficit at any rate should have decreased, but on the Intercolonial Railway the more business that appears to be done the greater the loss. It is not necessary, perhaps, to refer to the capital expenditure, but that has also increased \$1,500,000 since 1885, and only twenty miles of railway have been added. In other words, the extent of road added has cost about \$75,000 per mile. The stores account is most astonishing. We are told that in 1886 there were \$719,660 worth of stores on hand; in 1887, \$678,109; and in 1888, \$498,634 worth of stores on hand. I did not look into the accounts sufficiently to find out myself, but I would like to

know, if the Minister of Finance is good enough to tell me, if this decrease in stores is to be added to the deficit of the running expenses of the road.

Mr. FOSTER. It is not to be added to the running expenses.

Mr. ELLIS. I desire to say that it is the general impression—of course I do not know it myself—but it is the general impression of persons who know about this railway, that there is nothing like that amount of stores on hand, and that there is no inventory of the stores taken at the time that the financial auditor audits the books. I do not know whether that is true or not, but that is the general impression.

Mr. FOSTER. I think my hon. friend had better not make such a statement unless he knows whether it is true or not, because those statements are damaging, so far as anything that can be said by the hon. gentleman is damaging. An inventory is taken regularly every year, yet my hon. friend states almost positively that no such inventory is taken.

Mr. ELLIS. Perhaps I have not made myself sufficiently clear. I have no doubt that somebody on the part of the railway makes some inventory of the stores, and that that statement is sent in; but no independent person like the auditor who audits the accounts goes over these stores. The statement of the railway authorities has to be taken in the end, as well as whatever report they choose to make upon the value.

Mr. FOSTER. It is a responsible officer who does it.

Mr. ELLIS. Now, Sir, with regard to the business of the road. Last fall, the Board of Trade of St. John, or some members of it together with a gentleman who sits in this House, made an effort to have a lumber business created between Bathurst and St. John. They endeavored to send down the lumber that was frozen in on the northern rivers to the port of St. John to be shipped there. But the rates which the manager of the railway proposed to charge were so high that this trade could not be carried on at all, and no business could be done. If you apply the coal rates to the lumber it should have been carried for about seven dollars a carload of 20,000 lbs, but the management of the Intercolonial Railway would not carry it for less than \$20. If it is proposed to do business, surely better rates could be given than that. Why carry coal for three-tenths of a cent per mile and charge three times as much for carrying lumber. I grant that the short distance would make a difference, but it ought not to make such a difference as that, if trade is to be developed. It is a common report, I cannot speak for its truth myself, that a cargo of sugar was landed at St. John, to be carried over the Intercolonial Railway to Montreal; but the rates were so high that the owner found it to his advantage to load up his sugar on the American steamers of the International Line at St. John, carry it to Boston, reship it at Boston on the American railway, and carry it by that route to Montreal; and the street rumor, at any rate, was that he saved \$3,000 by the transaction on the rates offered by the Intercolonial Railway. I do not blame the Government for these things; I trust that they will understand that I am simply speaking in the interest of the business community which I represent, so that opportunities may be afforded to us of making this road more available than it is at present. I would like to ask what kind of rolling stock the present vote is for?

Mr. FOSTER. It is to provide cars for the summer travel to Cape Breton and also from Quebec to Oacouna—three first class cars—and to fit them up with chairs, which is believed to be an economical way of providing parlor cars.

Mr. ELLIS. There was a vote last year for iron sheds. Have they been erected?