

be possible to reduce the expenditure in connection with the operation of the Government Railways. I have the satisfaction of knowing that those efforts have been attended with very marked success. I may be asked how it is that the deficit in the operation of the Intercolonial Railway, which had been something like half a million for several years preceding, was increased during the year ending 30th June, 1879, beyond that of any former year. I may remind the House that I am not responsible for that increased expenditure to any large extent. I may remind the House that the management of the Intercolonial Railway remained practically in the same hands from 1st July of that year down to, I think, the latter part of February, 1879, and that the large increase of expenditure was for works that were undertaken previous to the change of Government, to a very large extent. I will now briefly glance at the revenue of the road which, as the House is aware, was considerably decreased during the year, 1878-79, as well as at the large increase in expenditure, which accounts for a deficit which occurred at the end of that fiscal year of about \$716,000. In doing so, I will endeavour dispassionately to do justice to my predecessor, who had the management of the Department. My colleague, the then Minister of Public Works, in 1873, came to the conclusion that it was absolutely necessary, for the economical working of the Intercolonial Railway, that there should be a responsible officer, thoroughly acquainted with everything, in connection with the management and operation of the work, whose head-quarters should be in the Public Works Department. Hon. gentlemen are aware that Mr. Collingwood Schreiber was appointed, previous to the change of Government, in 1873, Chief Engineer of Government Railways in operation, for the purpose of having close and accurate surveillance from head-quarters over all expenditures, and everything connected with the management of the Intercolonial. A change of Government ensued, and, although that gentleman was retained nominally in that office, as is well known, his services were devoted mainly to the completion of the Intercolonial Railway. I do not think my hon. predecessor at all carried out the

design that the former Government had of having the control and management of the Intercolonial Railway conducted from head-quarters. We satisfied ourselves then, and I am more satisfied now, that it is practically impossible to continue such a vigilant supervision for such enormous expenditures as the management of these Government Railways involve, without having the head of the Department here in immediate communication with the Chief Executive officer, in order that the Minister may be from time to time advised of everything that is taking place, and have an opportunity of giving, or withholding, his sanction to the expenditures. Well, we reverted to that system, and Mr. Schreiber was instructed to assume the management at head-quarters, and the staff was reorganised in such a way as to give us the benefit of the service of the best men we could find in the Department. I am glad to be able to say we found nearly all the men that were necessary for the management of those works in the Department as it was then constituted. Mr. Pottinger, who was appointed Chief Superintendent when the management was changed, was a gentleman who had been some eighteen years in the Intercolonial Railway service, and who had risen step by step, until, I think, he was regarded by his predecessor, Mr. Brydges, as undoubtedly the ablest man there was in the service at that time. The other officers entrusted with leading positions we found in the service of the Intercolonial, in fact I may say all those in charge of the management and direction of the Railway at its headquarters at Moncton. I will now glance at the results, and show the expenditure of that year, which has attracted, naturally, a good deal of attention. I am not at all prepared to question the judiciousness or propriety of a large amount of the increase of expenditure. It was for works which were found absolutely necessary, and they were entered upon previous to the change of Government, and it became my duty to see that they were carried to completion. The revenue for 1877-8 on the 714 miles then in operation, was \$1,378,946.78. I am contrasting that with the year following, which closed on 30th June, 1879. The revenue for 1878-9 was \$1,294,099.69, over the same length